

Comprehensive Annual Financial Report



*City of Austin,
Texas*

*For the year ended
September 30, 2001*

*Prepared by:
Financial and Administrative Services Department*

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*Members of the Government Finance Officers Association
of the United States and Canada*



City Council

Gus Garcia

Mayor

Term expires June 15, 2003

Jackie Goodman

Mayor Pro Tem

Term expires June 15, 2002

Council Members

Raul Alvarez	June 15, 2003
Beverly Griffith	June 15, 2002
Daryl Slusher	June 15, 2002
Danny Thomas	June 15, 2003
Will Wynn	June 15, 2003

Jesus Garza
City Manager

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTION



City of Austin

Founded by Congress, Republic of Texas, 1839

Municipal Building, Eighth at Colorado, P.O. Box 1088, Austin, Texas 78767

February 27, 2002

Honorable Mayor and Council Members
City of Austin, Texas

We are pleased to submit to you the 2001 Comprehensive Annual Financial Report of the City of Austin, Texas. The report was prepared by the Controller's Office of the Financial Services Department. The combined financial statements and related notes have been jointly audited by the independent firms of Certified Public Accountants, KPMG LLP, and Richard Mendoza, CPA, whose report is included herein. This audit satisfies Article VII, Section 16 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public Accountant. The Federal awards received by the City directly from Federal agencies or passed through by the State of Texas or other governmental entities during fiscal year 2001 are being audited under the provisions of the Single Audit Act of 1996, as amended, and State awards are being audited under the provisions of the *State of Texas Single Audit Circular*. The reports (the "Single Audit Reports") will be available under separate cover.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material respects and are presented in a manner which fairly sets forth the financial position and results of operations of the City. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

These financial statements have been prepared in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The City received a **Certificate of Achievement for Excellence in Financial Reporting** from the Government Finance Officers Association of the United States and Canada (GFOA) for its 2000 Comprehensive Annual Financial Report (CAFR). A Certificate of Achievement is valid for a period of one year only. City management believes that this 2001 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for its review.

This CAFR consists of three parts. The introductory section includes an organization chart and this transmittal letter, which highlights significant aspects of financial operations during the year and particular financial issues faced by the City. The financial section includes the independent auditors' report, combined financial statements and related notes, and supplemental financial data. The statistical section includes several exhibits and tables of unaudited data depicting the financial history of the City, as well as demographic and other miscellaneous statistics.

Reporting Entity

The City of Austin, chartered in 1839, has a Council-Manager form of government with a Mayor and six Councilmembers. The Mayor and Councilmembers are elected at large for three-year staggered terms, with a maximum of two consecutive terms. The City Manager, appointed by the City Council, is responsible to them for the management of all City employees and the administration of all City affairs.

This report includes financial statements of the funds and account groups required to account for those activities, organizations and functions that relate to the City and are controlled by or dependent upon the City's governing body, the City Council. Criteria used by the City for including activities in preparing its financial statements are in conformity with Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*. On the basis of these criteria, the following activities and organizations are included in the City's 2001 financial statements: municipal services including police and fire, sanitation, parks and recreation, libraries, public health and social services, urban growth management, infrastructure and watershed maintenance, electric and water and wastewater utilities, airport facilities, convention facilities, and general administrative services; the Austin Housing Finance Corporation, whose activities are reported in the Housing Assistance Fund, a special revenue fund; and the Austin Industrial Development Corporation, whose activities are included in the Austin Industrial Development Corporation Fund, a special revenue fund.

Year In Review

Fiscal year 2001 was a year of change for the City and the nation, with all of us feeling the effects of the softening economy and the impact of the September 11 events on the economy as well as on the cost of municipal government. The economic slowdown resulted in lower than anticipated sales tax revenues, with actual collections 6.5% below budget. The City took steps in mid-year to identify savings to offset the revenue shortfall, and as a result was able to end the year with a balance in excess of \$23.9 million.

Austin is experiencing a change in leadership on the heels of 2001, with a new Mayor recently taking the helm and a new City Manager in the City's future. In November 2001, Mayor Gustavo Garcia was elected to fill the unexpired term of Mayor Kirk Watson, who resigned to run for State-wide office. Mayor Garcia returns to city government, where he previously served as City Councilmember for 10 years. In January 2002 the City Manager submitted his resignation, effective the end of April, at which time the current Deputy City Manager will become Acting City Manager.

During fiscal year 2001, City leaders continued to focus on four major areas: public safety; sustainability; youth, family and neighborhood vitality; and affordability. In the area of public safety, the City experienced several improvements. The Police Department (APD) maintained near full strength with the assistance of an increase in authorized sworn strength by 26 officers to maintain the ratio of 1.9 officers per 1000 residents. Eight of those 26 officers were assigned specifically to traffic enforcement. In addition, 35 new civilian positions were added to serve the department in areas that do not require police authority. These positions not only increased officer efficiency throughout the department, but also allowed the full redeployment of eight officers. Further, the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) officially awarded accredited status to APD in December 2000. APD joins an elite group of more than 500 law enforcement agencies in the United States, Canada, and Barbados that have received this prestigious international recognition.

The Fire Department increased the authorized sworn positions by 54 during 2001, and increased estimated success in containing fires to the room or area of origin in 75% of calls. Emergency Medical Services estimated maintaining a high response time by responding to 91% of priority one calls in less than 11 minutes. Additionally, six FTEs were added to the Communications Center in order to maintain the goal in call processing time of less than 70 seconds. These positions will also be critical in future years, as they will help staff the new public safety combined communications center in 2003. The City also took major steps during 2001 to upgrade and enhance 9-1-1 services. The City broke ground on the new combined emergency center, which will replace the City of Austin and Travis County 9-1-1 center, and will provide critical upgrades to current emergency service systems. The City also implemented a 3-1-1 non-emergency public safety telephone system. This non-emergency system is a major improvement, because it frees 9-1-1 personnel to handle real emergency situations.

In support of the sustainable community initiative, the City established two funds in 2001: the Sustainability Fund and the Economic Development Fund. The Sustainability Fund provides resources for projects that will help the City of Austin build a sustainable economic, environmental and equitable infrastructure – the three "e's" that make up sustainability. In its initial year, funding was provided for construction projects that would ease traffic congestion and pave the way for development in the less environmentally sensitive areas of the City. In addition workforce development, childcare and housing initiatives were supported by this fund to increase access to the workplace for Austin citizens. The Economic Development Fund will allow Austin Energy, the City's electric utility, to increase the density in growth of existing infrastructure and shorten the time it takes to bring new customers on line, as well as give the City the ability to plan and implement growth and redevelopment strategies on a timely basis.

In 2001, the City continued to make progress on various projects authorized in the 1998 bond election with improvements to transportation and mobility needs; improvements to public safety facilities and systems; enhancement of the library and park systems; and addressing watershed issues. In addition, voters approved bonds in November 2000 for transportation and mobility projects. The bulk of this funding is earmarked as matching funds for State highway (SH) projects such as continued improvements to SH 183, which will improve access to Austin-Bergstrom International Airport, extension of Loop 1 North and construction of an east-west highway, SH 45N, in the northern portion of Travis County. The City is also receiving funding for transportation and mobility projects to improve transportation options for pedestrians and bicyclists.

The City also continued implementation of its Smart Growth initiative begun in 1998. Smart Growth, a nationwide movement that addresses problems of both cities and suburban areas through strategies that encourage more infill development, more concentrated development and more redevelopment, brought many changes to Austin. In one of the most significant efforts by the City to revitalize downtown, the City and Computer Sciences Corporation (CSC) entered into an agreement in 1999. Under this agreement, CSC constructed two downtown facilities that opened this year, and the City broke ground on the new city hall parking garage. The new city hall is scheduled for completion in February 2004. In addition, an 800-room headquarters hotel is being built adjacent to the Austin Convention Center.

The slowing economy has had some impact on the Smart Growth initiative. CSC delayed a third building and, in January 2002, the City purchased the right to develop the land upon which CSC would have constructed that building. Intel, which had begun construction of a headquarters facility downtown, has stopped work on the project for the foreseeable future. Vignette, which had planned to construct a building and relocate to downtown, has canceled this plan. However, several downtown developments continued, including lofts and residential areas.

The City's focus on the area of youth, family and neighborhood vitality led to a reorganization of City departments, so that the City now has an integrated neighborhood services and neighborhood planning department to provide a more seamless delivery of service.

In the area of affordability, the City remains committed to providing city services efficiently and at a reasonable cost. The City began adjusting to the slowing economy by implementing a savings plan early in the year. The City's bond rating agencies recognized Austin's efforts to manage in this economic downturn by maintaining or enhancing the City's bond ratings: in January 2001, Fitch upgraded both the City's combined utility debt and its water-wastewater separate lien obligations from "A" to "A+", while at the same time, Standard and Poor's changed the outlook for the City's combined utility debt from "stable" to "positive."

The City's electric utility (Austin Energy) is a significant operation within the City. National attention focused on the electric industry in 2001. Significant increases in the price of natural gas and wholesale power, the "California power crisis" and the financial problems of major utilities (Pacific Gas & Electric, SoCal Edison and Enron) were in the news daily. Energy policy was a leading concern for Federal and State legislators. Many states began to re-evaluate electric restructuring legislation adopted or under consideration and considered implementation delays in light of California's crisis.

On December 2, 2001, Enron (considered the largest and most successful energy trader in the U.S.) sought bankruptcy protection following an announcement in October 2001 of over \$500 million in loss adjustments to its net income. This again brought the electric industry to the forefront of public attention as many investors suffered significant financial losses.

At the State level, Texas' electric utility restructuring bill, Senate Bill 7 (SB7), effective on September 1, 1999 opened the Texas electric market for retail competition. Under SB7, generation and sales are unregulated, but transmission and distribution remain regulated. Pilot programs and wholesale market design changes to support retail electric market competition began in the summer of 2001.

The Texas' retail competition pilot program was intended to provide 5% of investor owned utilities' (IOU) customers the opportunity to choose their Retail Electric Provider (REP). Due to delays in software implementation, only a handful of customers – just enough to allow system testing – were switched during the initial months. On July 31, 2001, the Electric Reliability Council of Texas (ERCOT - Texas Independent System Operator) consolidated into a single electric control area and implemented new procedures for managing the Texas electric grid in a deregulated market. Pilot program switching activity was increased in the fall and over 100,000 customers switched to a new retail provider by the end of 2001. Retail competition began, with little fanfare, January 1, 2002 for customers of most Texas investor owned utilities.

Major provisions of SB7 affecting Municipally Owned Utilities (MOUs) include:

- Options to offer retail competition or "opt in" by governing body's adoption of a resolution. A decision to "opt in" is irrevocable.
- May determine their stranded costs and recovery periods.
- Not subject to rate reductions imposed upon the investor-owned utilities.
- Not required to sell generation assets or participate in capacity auctions.

Concern about the California power crisis spilled over to the Texas electric market, which was examined for similarities. The Texas market has several protections that were not available in California such as:

- Current oversupply of generation in Texas, unlike the thin margins in the Western U.S.
- Long-term or bilateral contracts are allowed.
- Texas has no mandatory power exchange.
- Texas did not require utilities to sell generation assets prior to the retail market.
- A "price to beat" was set for retail electric providers affiliated with an existing investor owned utility, however, periodic adjustments are allowed for increasing fuel costs.

Limitations in Texas' transmission system result in constraints during the peak load periods. The transmission system was originally built to provide service generally from locally situated generation to near-by population centers and to provide critical links between systems in the event of emergencies or shortages. Deregulation of the wholesale market had already put strains on the transmission system not contemplated when it was designed and built. Additional transmission system construction is underway to relieve constraints; however, these are long-term projects and will not provide immediate relief.

The City and Austin Energy have ongoing initiatives to strengthen the electric utility's competitive position. The City Council has given clear direction that Austin does not plan to "opt-in" or open its service area for retail competition at this time. However, it is always prudent to be in a position to respond if conditions should change.

The City Council approved financial targets for the electric utility in 1996, and revised them in 1999 to add renewable energy targets. The electric utility continues to successfully meet these long-range financial targets demonstrated by:

- Improving its competitive position through reduced costs and improvements in reliability and customer service.
- Improving the utility's debt to equity ratio from 79% in 1994 to 62% by 2001 through reducing reliance on debt financing of its capital program.
- Directing all utility excess cash to a debt management account (revenue bond future debt service account) accumulating over \$185 million since 1996 and allowing its use to improve the utility's competitive position.
- Austin Energy's General Fund transfer remains within an established target range of 6.6% to 9.1% of total revenue.

Additional initiatives and competitive actions include:

- City Council adoption of resolutions for open records (governing competitively sensitive information), opt-in conditions and electric utility purchasing.
- Unbundling of utility revenue bond debt to provide additional strategic and operational flexibility and improve competitive position.
- Closed the Combined Utilities Revenue Bond Prior Lien and Subordinate Lien and plan no future debt issuance under this combined pledge. The prior and subordinate lien bond ordinances remain in effect while such bonds remain outstanding. In June 2000, the water and wastewater utility issued its first debt under a Separate Lien Obligation Master Bond Ordinance (lien on water and wastewater system's revenues).
- Developed a new Separate Lien Electric Revenue Bond Master Ordinance (lien on electric revenues). This ordinance does not require a debt service reserve fund, loosened the additional bonds' test and eased the rate covenant for bonds issued under this ordinance. The initial debt issuance under this new ordinance in January 2001 was favorably rated "A" by Fitch Ratings, "A-" with a Positive Outlook by Standard & Poor's and "A-" by Moody's Investors Service, Inc.
- Began evaluation of best use of Debt Management account to improve the utility's competitive position through debt reduction.
- Generation peaking capacity additions, funded with internally generated cash plus \$36.8 million from the Debt Management account, were completed and operational prior to the 2001 summer peak. Preparation for the construction of a combined cycle generation plant (scheduled for completion in 2004) continued.
- Continued implementation of integrated outage and work management software expected to improve customer service.

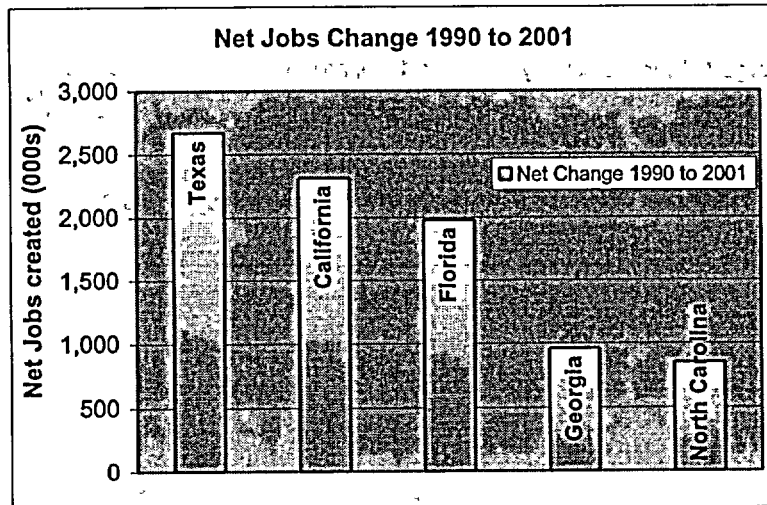
Fiscal year 2001 was another strong year financially for Austin Energy, with net income of \$103.4 million. Net income has been reinvested in the electric system to improve competitive position, reliability and customer service. Austin Energy continues to meet its service area load with its own generation to limit exposure in the wholesale market. Although the local economy slowed during 2001, continued growth in energy demand is expected, albeit at a slower pace than in recent years.

Attention focused on natural gas prices during 2000 and 2001. Austin Energy implemented stair-step increases in the fuel component of its electric rate to recover increased gas costs during 2000 and 2001. With these increases, full recovery was accomplished by December 2001 and a fuel component reduction was implemented January 1, 2002. Austin Energy's fuel rate continues to be the lowest among Texas utilities.

Economic Outlook

The national economy experienced a downturn in 2001, with consumer confidence dropping to a five-year low. The U.S. real gross domestic product (GDP) increased by 1.1%, and the growth for each quarter of 2001 was less than the same quarter of the prior year. As of December 2001, national unemployment increased to 5.8% and employment decreased over the year by 1.8 million jobs. The inflation rate rose somewhat during 2001, with an increase in the Consumer Price Index (CPI) of 1.6%. Wages and benefits grew by 4.1% in the quarter-ended September 2001 compared to same period of the prior year, which was a ten-year high. Although predictions are difficult, most economists project a slow recovery for the economy to begin in the second or third quarter of 2002.

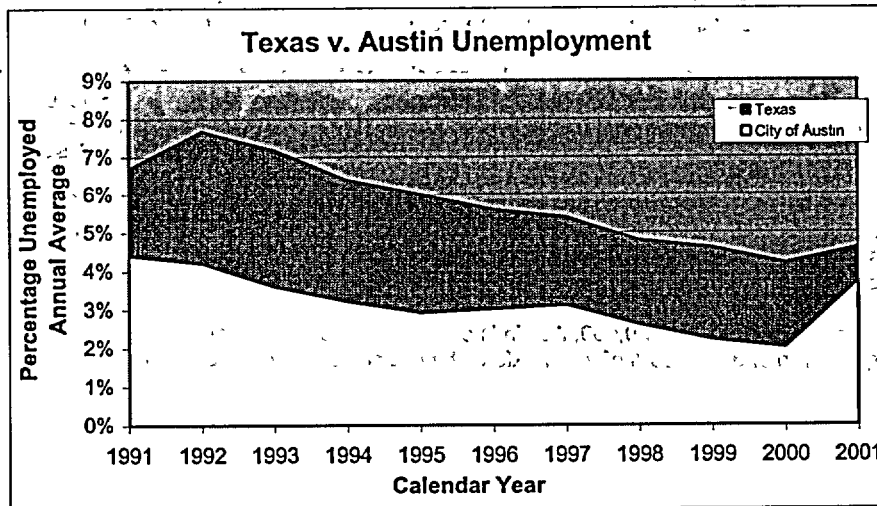
Like the national economy, the Texas economy slowed during the year, although less than at the national level. Texas' largest industries are high tech and oil and gas, and the fastest growing industries are transportation and communications. High tech has experienced the impact of the downturn more than a number of other industries. In addition, Texas is home to three of the nation's major airlines, which have been affected greatly as a result of the September 11 tragedy. The full impact of the disaster on the airlines and related industries is not yet fully known. The gross state product (GSP) grew at a slower rate for 2001 than for 2000, though it outpaced the national GDP. GSP grew by 3.4% during 2001. The unemployment rate increased from a nearly three-decade low of 3.8% in January 2001 to 5.7% in December 2001. Still, Texas ranked third in the nation in the number of new jobs added.



Source: U.S. Bureau of Labor Statistics

Texas, which is the country's second largest exporting state after California, exports approximately \$5,000 of goods for every resident. The Texas economy is expected to grow over the next two years, with GSP growing at about 4% annually. The rate of employment growth is expected to slow to approximate 2% annually. The Texas economy may not boom, but it is expected to avoid a recession.

As with the national and state economies, the Austin economy experienced a downturn during 2001. The national downturn in the high tech industry also affected Austin, and there were a number of job losses in this industry locally. In recent years, Austin has had the lowest unemployment rate in the state; this year saw a change in this measure, as the high tech industry and others experienced layoffs. Austin's unemployment rate rose from a record low of 1.6% in December 2000 to over 4% in 2001. The September 11 disaster affected Austin, with a decrease in airline traffic and tourism, as well as increased costs for homeland defense.



Source: Texas Workforce Commission

In 2001, Austin experienced an increase in office vacancy rates; occupancy rates decreased from a very tight market at 95% in 2000 to 81% at the end of 2001. Retail average occupancy rates remained higher than any other Texas market. The Austin economy is expected to see continued growth over the next several years, though the pace will be much slower than the high growth experienced in recent years.

Life In Austin

Austin is now the 16th largest city in the country and since 1990, has ranked number one in growth among the 30 largest cities. Texas' Capital City, Austin is unique and known for its beauty, its dynamic style, and its diverse community. Located in the heart of the Texas Hill Country, the Austin area is blessed with panoramic views, an abundance of rivers and lakes and a climate that is conducive to outdoor activity.

Austin is a great place to enjoy the outdoors. With winter temperatures rarely dipping below freezing and often reaching into the 70's and 80's and with long summers, the city, county and state parks and recreation facilities are busy year-round.

<u>Austin Weather</u>	
Mean temperature	68
Mean low temperature	58
Mean high temperature	79
Clear days	116
Average rainfall	32
Average days of sunshine	300

Austin is also very fortunate to have a first-rate Parks and Recreation Department (PARD). In fact, the department is recognized as one of the finest in the country. For the third consecutive year, PARD was nominated for the national Gold Medal Award given by the National Recreation and Park Association. PARD administers a number of public outdoor recreational facilities, including numerous neighborhood parks, greenbelts, athletic fields, golf courses, tennis courts, a veloway for bicyclists and in-line skaters, miles of hike and bike trails and striped bike lanes, a youth entertainment complex, and swimming pools, including renowned Barton Springs, where as many as 300,000 people a year enjoy its constant 68 degree spring-fed water.

Austin is home to a number of outdoor events, including various art, music, and food and wine festivals; races and bicycle rides; and the nightly flights of the world's largest urban bat colony. A favorite holiday event is the Trail of Lights, a festive, mile-long display of lighted scenes of the holiday season, with more than 200,000 visitors over a two-week period.

In addition to outdoors recreational opportunities, Austinites can choose from a wide variety of indoors recreational activities. Long recognized as the "live music capital of the world," Austin boasts more than 100 live music venues, and is home to the annual South by Southwest (SXSW) music and film festivals. Austin also has a number of museums, art galleries, an opera facility and a wide variety of restaurants and clubs, especially in the popular Sixth Street and Warehouse District areas.

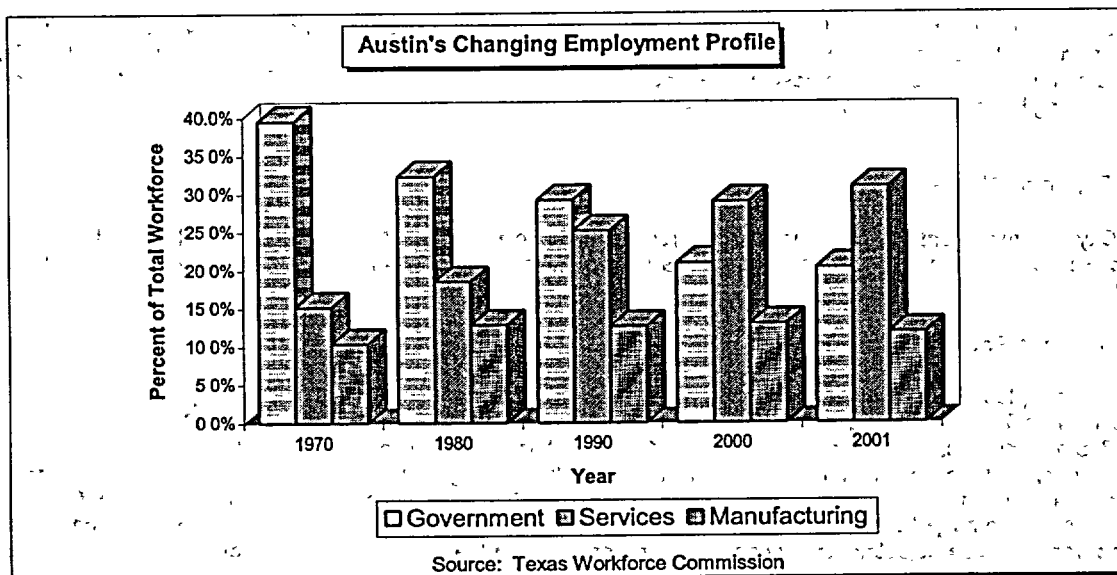
With its seven institutions of higher learning and more than 90,000 students, education is a significant aspect of life in the Austin area. Access to these institutions, especially the University of Texas at Austin (UT), has attracted many of the high-technology industries that have contributed to most of the growth in the city's economy. The largest public university in the nation, UT is known as a world-class center of education and research.

Among U.S. cities with a population over 250,000, Austin is one of the most highly educated cities, with more than 30% of its adults having a college degree and over 88% of the workforce having some college education.

Industry and Business

In 2001, the Austin metropolitan area continued to receive national recognition for its dynamic economy and its quality of life. In a summer survey of Fortune 1000 executives conducted by AT Kearney, a global management consulting firm, Austin was named the most likely place to locate a technology-related business or business unit. In addition to receiving the top ranking for location, Austin received top honors as the most appealing in the local government involvement category – a category that recognizes local government programs that foster economic growth, develop the local workforce and address quality of life and economic issues. Austin was also recognized by *Employment Review Magazine* as the best place to live and work in America. The nationwide review looked at more than 300 metropolitan areas, comparing unemployment rates, projected job growth, cost of living and other data. In its assessment of Austin, the writer states, "the capital city of Texas deserves a capital 'p' for perfection...Austin has created the perfect blend of work, lifestyle and leisure, making it a true treasure of a city...."

Additionally, *FORBES* magazine named Austin the second best place to do business and advance one's career. As the capital of Texas and the home of the University of Texas, Austin has long been considered a government and university town. However, Austin is also one of the premier high-tech communities in the country. Approximately 2,500 technology related companies employ people in the Austin area. These companies and various other professional service firms make up an important segment of Austin's employment base. The high-tech companies have borne the brunt of the downturn in the economy, with more than 13,000 layoffs during 2001. While government employment is still a stabilizing force in the Austin economy, it now accounts for a much lower percentage of the make-up of Austin's total employment. As the following comparison shows, since 1970, government employment has decreased substantially relative to the other large employment sectors in the Austin area.



Although Austin's semi-conductor industry has been hit with layoffs and cutbacks, industry analysts indicate the industry can provide jobs in the future. In preparation for the future, local semiconductor firms contributed funding for scholarships and a facility for training industry workers. The area's large university student population, primarily at the University of Texas, help keep the city intellectually active and provide a valuable resource to companies locating to the area.

With all the features Austin has to offer, the City typically enjoys a strong tourism industry, which has a significant impact on the Austin economy. The City's convention and meeting facilities include the Austin Convention Center, which is expanding to meet increased demand, a soon-to-be open Palmer Events Center, and the Long Performing Arts Center, soon to be under construction, to be built by Arts Center Stage. The number of hotels in the Austin area increased by 23 between 1999 and 2001 to keep up with demand. However, with the September 11 disaster, like many other cities across the country, Austin has experienced a decrease in both tourism and travel, with a 10% drop in hotel occupancy in November and 20% drop in airport passenger traffic in December, compared to the same periods in 2000. Fortunately, Austin may be less vulnerable to the effects of reductions in air travel because more than half of the City's visitors come from other Texas cities.

The Accounting System and Budgetary Control

The Financial Services Department is responsible for providing all centralized City financial services including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management, budgeting, purchasing, contract administration, regulatory affairs, and special financial and policy analyses for City management. The Director of Financial Services, appointed by the City Manager, supervises the department's operations.

The City employs a computerized financial accounting system that includes a system of internal accounting controls. These controls have been designed and are continually being re-evaluated to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework and are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting records for governmental fund types are maintained on a modified accrual basis, i.e., revenues are recorded when available and measurable and expenditures are recorded when services or goods are received and the liabilities are incurred. Accounting records for proprietary fund types and similar trust funds are maintained on the accrual basis.

The annual operating budget, or financial plan, is proposed by the City Manager and enacted by the City Council after public discussion. Subsequent intradepartmental budget transfers must be approved by the City Manager. Interdepartmental transfers and any increase or decrease in total appropriations must be approved by the City Council. Management control for the operating budget is maintained at the fund and department level.

New Reporting Model

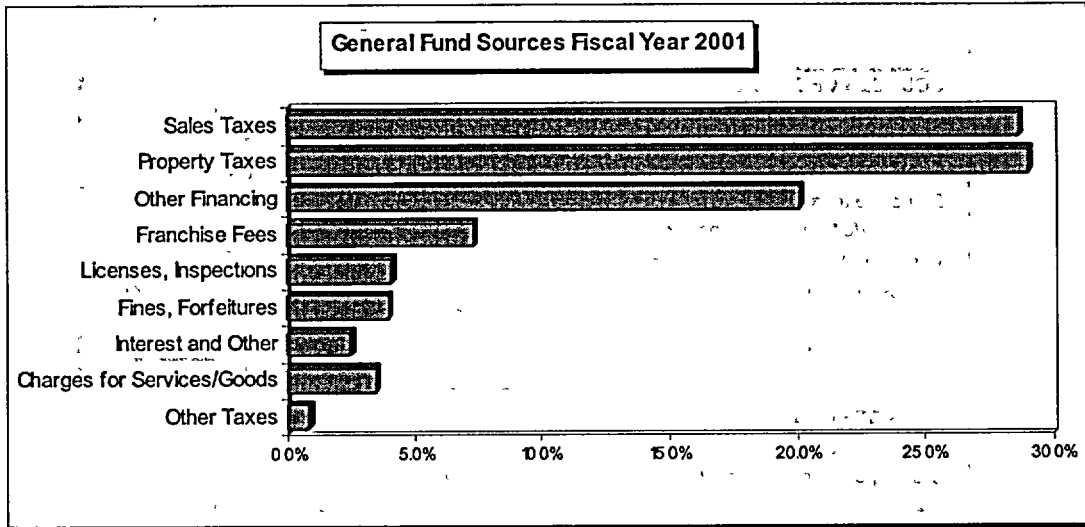
The City will implement the new financial reporting model, Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* in fiscal year 2002.

Nonexchange Revenues

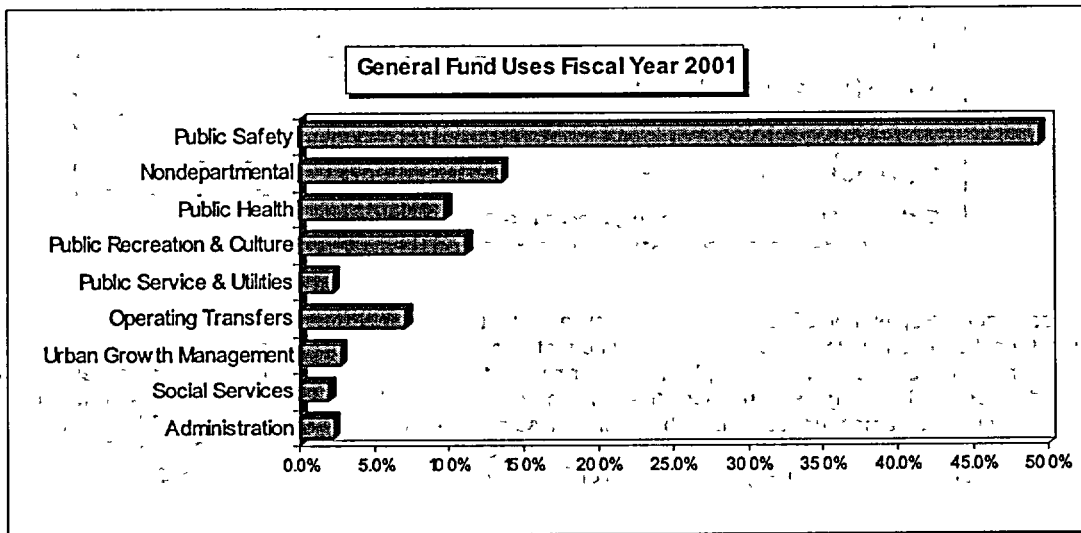
The City adopted Governmental Accounting Standards Board Statements No. 33 *Accounting and Financial Reporting for Nonexchange Transactions* and No. 35 *Recipient Reporting for Certain Shared Nonexchange Revenues—an amendment of GASB Statement No. 33* during fiscal year 2001. The statements call for the recognition of revenue for nonexchange transactions, such as hotel-motel occupancy taxes, when the underlying transaction takes place. Implementation of these statements resulted in increases in the 2000 and 2001 ending fund balances for the following two funds: Hotel-Motel Occupancy Tax fund (\$7.6 million and \$5.8 million, respectively) and Vehicle Rental Tax fund (\$1.5 million and \$1.2 million, respectively). These adjustments change the timing of reporting the revenues, and do not increase the cash available for appropriation.

General Fund

The City's General Fund is used to account for expenditures for traditional governmental services as well as all financial resources other than those required to be accounted for in other funds. Sources of revenue for this fund are widely diversified and include property tax, sales tax, transfers from the City-owned utility system, and other sources as shown below:



General Fund expenditures were, as follows:



Below is a summary of General Fund sources and uses of funds for fiscal years 2001 and 2000:

General Fund Sources and Uses				
(Dollars in Millions)				
	2001	2000	Increase	
	\$	\$	\$(Decrease)	%
SOURCES OF FUNDS				
Property taxes	124.93	115.33	9.60	8
Sales taxes	123.22	122.16	1.06	1
Other taxes	3.60	3.18	0.42	13
Franchise fees	31.45	23.70	7.75	33
Fines, forfeitures, and penalties	17.00	16.04	0.96	6
Licenses, permits, and inspections	17.63	18.17	(0.54)	(3)
Charges for services, goods	14.99	11.76	3.23	27
Interest and other	10.58	9.41	1.17	12
Transfer and other sources	86.28	78.35	7.93	10
Total	429.68	398.10	31.58	8
USES OF FUNDS				
Administration	9.43	8.98	0.45	5
Urban growth management	11.57	10.19	1.38	14
Public safety	210.28	191.59	18.69	10
Public services and utilities	9.52	6.10	3.42	56
Public health	41.44	41.03	0.41	1
Public recreation and culture	47.45	44.20	3.25	7
Social services management	8.07	9.39	(1.32)	(14)
Nondepartmental expenditures	57.86	53.46	4.40	8
Operating transfers out	29.99	31.29	(1.30)	(4)
Total	425.61	396.23	29.38	7
Increase(decrease) in fund balance	4.07	1.87	2.20	118
Total fund balance, beginning of year	44.51	42.39	2.12	5
Residual equity transfers in (out)	(0.50)	0.25	(0.75)	0
Total fund balance, end of year	48.08	44.51	3.57	8
Exclusive of transfers to/from emergency and contingency reserves.				

For the year ended September 30, 2001, revenues on a budget basis were \$.7 million more than amended budget. This amount is the net of revenues in excess of and below budget. Amounts in excess of budget were franchise fees (\$3.5 million), fines, forfeitures and penalties (\$.3 million), licenses, permits and inspections (\$.7 million), goods/services (\$2.5 million), and interest and other (\$1.6 million); revenues less than budget were taxes (\$7.8 million). Expenditures on a budget basis were \$9.8 million lower than amended budget, with significant savings achieved by public safety (\$5.3 million), urban growth management (\$1.4 million) and social services management (\$1.2 million). Overall, the General Fund stayed within the amended budget and maintained emergency reserves of \$15 million and contingency reserves of \$367,000.

Special Revenue Funds

The special revenue funds include the Federal grant funds, State grant funds, other special revenue grant funds and other special revenue funds, which include the Hotel-Motel Occupancy Tax Fund and the Housing Assistance Fund. Collectively, these funds expended \$112 million during 2001.

Special Revenue Funds	
Federal grants	\$38,019,169
State grants	3,844,744
Other special revenue grants	443,558
Other special revenue funds	58,430,016
Housing Assistance Fund	11,324,603
Total Expenditures	\$112,062,090

The grant programs have an important effect on the Austin community by allowing the City to operate community centers, provide services to the elderly, provide health services to women and children, enhance public safety activities, and provide assistance in construction of capital improvements.

In 2001, the Hotel-Motel Occupancy Tax Fund transferred \$3.6 million to the Parks and Recreation Department Cultural Projects Fund for cultural arts programs, \$15.6 million to the Convention Center Tax Fund, \$6.9 million to the Town Lake Park Venue Project Fund and \$5 million to the Tourism and Promotion Fund for promotion of the tourism industry.

General Obligation Debt Administration

The City maintains a separate fund, the General Obligation Debt Service Fund, to administer debt associated with its general obligation bonds, certificates of obligation, contractual obligations, and other tax-supported debt. A separate ad valorem tax is levied and collected to provide funds to retire such debt issued for general government capital projects (debt service on general obligation debt issued for proprietary fund capital projects is paid from related proprietary fund revenues). For 2001, this tax was \$.1652 per \$100 assessed valuation.

The fund balance designated for general obligation debt service at September 30, 2001, was \$16.47 million or 20% of 2001 budget-basis debt service expenditures. At September 30, 2001, the City had \$563 million in tax-supported general obligation bonds, certificates of obligation, contractual obligations, and other tax-supported debt outstanding (not including amounts supported by proprietary funds). Authorized but unissued general obligation bonds at September 30, 2001 totaled \$435.2 million.

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita for 2001 and 2000 are shown below.

	2001	2000
Net bonded debt	\$546,210,746	\$540,282,278
Ratio of debt to assessed value	1.32%	1.52%
Debt per capita	\$825.54	\$859.41
Assessed valuation (000's)	\$41,419,314	\$35,602,840
Debt service tax rate per \$100 assessed valuation	\$0.1652	\$0.1812

The City's outstanding general obligation debt is rated Aa2 (Moody's Investor Services, Inc.), AA+ (Standard & Poor's) and AA+ (Fitch).

In addition to the General Obligation Debt Service Fund, the City maintains a separate fund for U.S. Housing and Urban Development (HUD) Section 108 Loans.

Capital Projects Funds

The City maintains capital project funds to account for general government capital improvements, which are funded primarily by general obligation bond proceeds, transfers from other funds, interest income and intergovernmental revenues. When projects are completed, they are recorded as additions to the General Fixed Asset Account Group. Capital projects for proprietary funds that use general obligation bonds as a funding source (primarily the Airport and Solid Waste Services) are accounted for within the enterprise or internal service funds rather than within the capital projects funds.

During 2001, a total of \$105.4 million was expended in the capital project funds, primarily for street, traffic signal and drainage improvements; general improvements; fire facilities; and land purchases. At September 30, 2001, total fund balance was \$122.9 million consisting of a reserve for encumbrances of \$79.2 million and an unreserved balance of \$43.7 million.

Utilities

The City owns and operates its electric, water, and wastewater systems and issues revenue bonds for the majority of its capital expenditures for these facilities. The utilities have issued combined utility system prior lien, subordinate lien and separate lien revenue bonds. At September 30, 2001, the Combined Utility System revenue bonds were rated, as follows: prior lien A2 (Moody's Investor Services, Inc.), A (Standard and Poor's), and A+ (Fitch) and subordinate lien A2 (Moody's Investor Services, Inc.), A- (Standard and Poor's) and A+ (Fitch). The electric separate lien bonds were rated A3 (Moody's Investor Services, Inc.), A- (Standard & Poor's) and A (Fitch). The water and wastewater separate lien bonds were rated A2 (Moody's Investor Services, Inc.), A- (Standard & Poor's) and A+ (Fitch).

At September 30, 2001, authorized but unissued revenue bonds totaled \$562 million for electric projects, \$535.6 million for water projects, and \$394.7 million for wastewater projects. Activity relating to revenue bonds is summarized in the following table (in thousands of dollars):

Description (Net of discount and inclusive of premium)	Prior Lien Bonds	Subordinate Lien Bonds	Electric Separate Lien Bonds	Water and Wastewater Separate Lien Bonds	Total
Balance payable, October 1, 2000	\$1,950,526	323,587	—	100,015	2,374,128
Debt issued	—	—	126,944	225,809	352,753
Debt repaid, defeased, or refunded	(64,592)	(36,765)	—	—	(101,357)
Amortization of bond discount and premium	1,681	(272)	4	5	1,418
Balance payable, September 30, 2001	<u>\$1,887,615</u>	<u>286,550</u>	<u>126,948</u>	<u>325,829</u>	<u>2,626,942</u>

The Electric Fund and the Water and Wastewater Fund transferred \$67.3 million and \$18.5 million, respectively, to the General Fund in 2001.

Electric Fund

Electric operating revenues for 2001 were \$806 million, an increase of 3% over the prior year. Operating expenses before depreciation for 2001 were \$459 million, an increase of 9% from the prior year.

Water and Wastewater Fund

The City owns and operates three water treatment plants with an average daily consumption of 121 million gallons per day (mgd) and four wastewater treatment plants with an average daily volume of 94 mgd. The City also owns and operates its own distribution and collection systems.

Total Water and Wastewater operating revenues for 2001 were \$220 million, a decrease of 9% under the prior year. Operating expenses before depreciation for 2001 were \$102 million, an increase of 6% over the prior year.

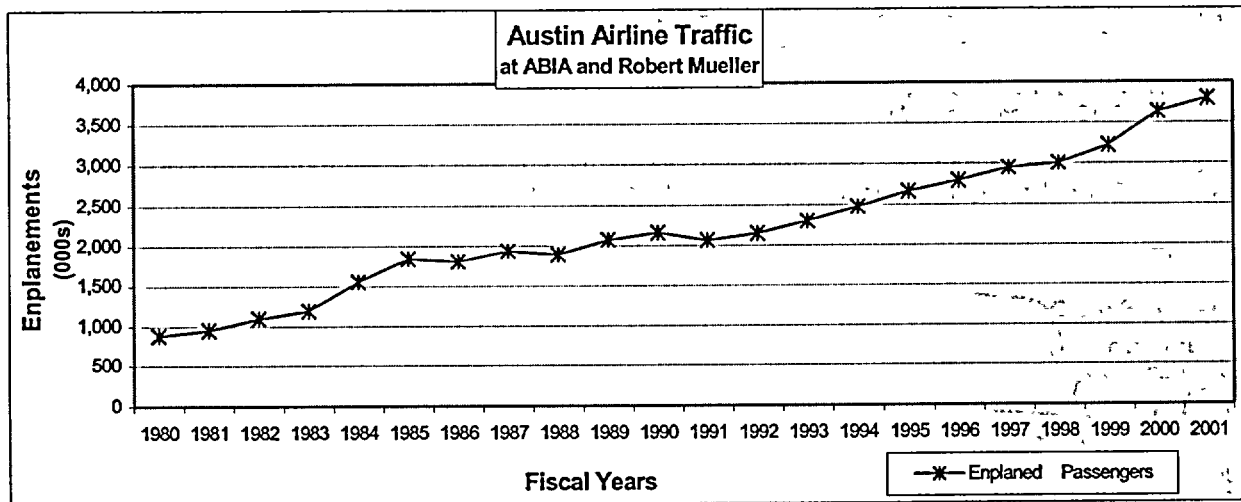
The City has certain contractual commitments with several municipal utility districts (MUDs) for the construction of certain additions, improvements, and extensions of the City's water and wastewater delivery systems. These MUDs are authorized to issue contract revenue bonds to finance the construction of such improvements. The City will become the owner of these improvements when they are completed or if the City annexes the MUDs. Upon completion or annexation the City will make debt service payments on the MUDs' portion of the bonds. This arrangement will enable the City to expand its system in a manner that prevents the proliferation of stand-alone utilities, which would ultimately need to be integrated into a regional system upon annexation.

The City has annexed MUDs that have issued and outstanding \$64.7 million City of Austin, Texas, Contract Revenue Bonds as of September 30, 2001. North Austin MUD No. 1, which has not been annexed, had issued and outstanding \$12 million City of Austin, Texas, Contract Revenue Bonds as of September 30, 2001. The total City of Austin, Texas, Contract Revenue Bonds outstanding at September 30, 2001 is \$76.7 million.

Airport Fund

The Airport Fund accounts involve the operation of the Austin-Bergstrom International Airport (ABIA). The ABIA is self-sustaining, providing for operating expenses including depreciation, an amount equivalent to the airport's interest on debt, payment for support services from other City departments, and funding of capital improvement projects. Operating revenues for the year ended September 30, 2001, were \$68.5 million. After deducting operating expenses of \$54.5 million, the airport had operating income of \$14 million and net income of \$16.3 million. Fiscal year 2001 beginning retained earnings of the Airport fund were reduced by \$2.5 million for a liability identified after fiscal year 2000.

Effective November 1, 1993, the Airport Fund began to charge each enplaned passenger a \$3 passenger facility charge, as allowed by the Federal Aviation Administration. The Airport Fund's 2001 operating revenues included passenger facility charges of \$10 million, which are dedicated to debt service payments for the Austin-Bergstrom International Airport.



Cash Management

Cash balances of all City funds are invested in consideration of five factors: safety, term, liquidity, market exposure, and rate of return. Cash balances of most funds, except the debt service and revenue bond retirement reserve, are pooled for investment purposes. These investments are made in accordance with the Texas Public Funds Investment Act and the City of Austin Investment Policy, and are restricted primarily to obligations of the United States, the State of Texas, the County, the City, certificates of deposit insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, local government investment pools, bankers' acceptances, prime commercial paper, money market mutual funds, share certificates issued by the National Credit Union Share Insurance Fund, and fully collateralized direct and reverse repurchase agreements meeting the requirements of the above-mentioned statutes.

During 2001, the City's cash resources were primarily invested in U.S. Treasury and Agency issues. The average yield on pooled investments during the year was 5.7%.

Risk Management

The City is exposed to employee-related risks for health benefits and workers' compensation, as well as to various risks of loss related to torts, including medical malpractice; theft of, damage to, or destruction of assets; errors and omissions; and natural disasters. The City continues to be self-insured for liabilities for most health benefits, third-party claims, and workers' compensation. The City purchases commercial insurance for coverage for property loss or damage, commercial crime, fidelity bond, and airport operations. In addition, the City purchases a broad range of insurance coverage for contractors working at selected capital improvement project sites. The City does not participate in a risk pool.

The City uses internal service funds to account for risks related to health benefits, third-party liability, and workers' compensation, as well as for resources for these risks. Liabilities are reported when it is probable that a loss has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities for the Employee Benefits Fund are calculated considering recent claim settlement trends; liabilities for the Liability Reserve and Workers' Compensation funds are calculated based on outstanding claims.


Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of a highly qualified staff. The City of Austin has such a staff in the Controller's Office of the Financial Services Department. We would like to express our appreciation to all the staff of the Controller's Office who assisted in and contributed to the preparation of this report.

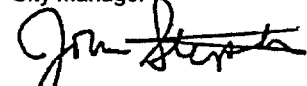
Other departments and offices of the City have also contributed directly or indirectly to the preparation of this report. In particular, the Budget Office of the Financial Services Department and the Office of the City Auditor have been instrumental in ensuring that good financial management practices are maintained, and their cooperation and continued assistance is appreciated. We also acknowledge the efforts of the City departments in following good financial management practices and in providing information and assistance during the preparation of the report.

We acknowledge the thorough, professional, and timely manner in which the audit was conducted by our independent auditors, KPMG LLP and Richard Mendoza, CPA.

Finally, we acknowledge the Mayor and Council Members who have consistently supported the City's goal of excellence in all aspects of financial management. Their support is greatly appreciated.



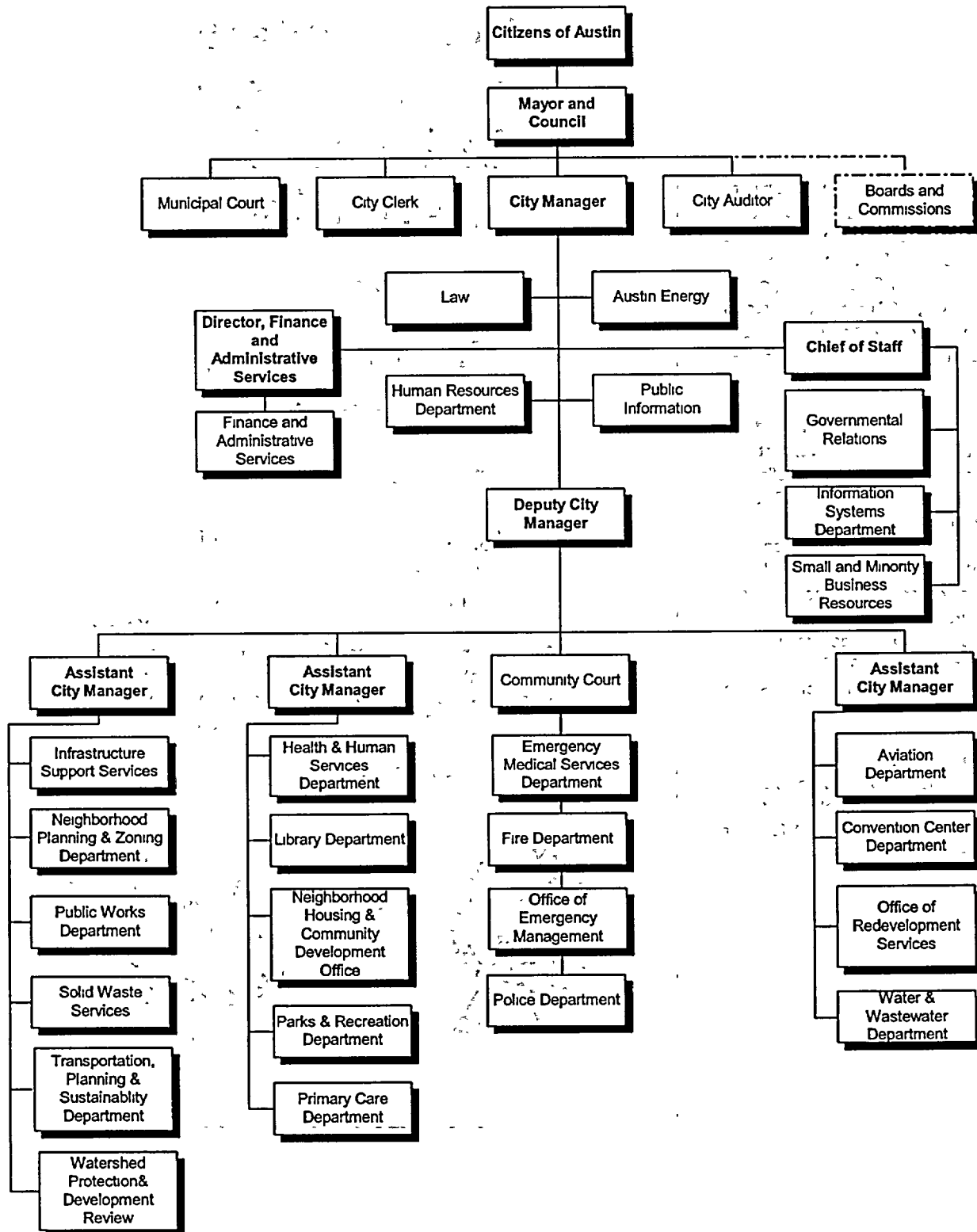
Jesus Garza
City Manager



John Stephens, CPA
Director, Financial and Administrative Services

City of Austin, Texas

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Austin,
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Austin, Texas for its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2000.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. City management believes that this 2001 CAFR conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.



Thomas A. Hume
President

Jeffrey L. Esser
Executive Director



FINANCIAL SECTION



111 Congress Avenue
Suite 1100
Austin, TX 78701

**RICHARD
MENDOZA**

Certified Public Accountant

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council,
City of Austin, Texas:

We have audited the general purpose financial statements of the City of Austin, Texas ("City") as of and for the year ended September 30, 2001, as listed in the accompanying table of contents under "General Purpose Financial Statements" and the following individual fund supporting financial statements included in Exhibit F-1, Exhibit F-2, and Exhibit F-3: Electric Fund Balance Sheet, Electric Fund Statement of Revenues, Expenses, and Changes in Retained Earnings, Electric Fund Statement of Cash Flows, Water and Wastewater Fund Balance Sheet, Water and Wastewater Fund Statement of Revenues, Expenses, and Changes in Retained Earnings, Water and Wastewater Fund Statement of Cash Flows, Airport Fund Balance Sheet, Airport Fund Statement of Revenues, Expenses, and Changes in Retained Earnings, and Airport Fund Statement of Cash Flows. These general purpose financial statements and individual fund supporting financial statements listed above are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements and individual fund supporting financial statements listed above based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements and individual fund supporting financial statements listed above are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and individual fund supporting financial statements listed above. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation and the presentation of the individual fund supporting financial statements listed above. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Austin, Texas as of September 30, 2001, and the results of its operations and cash flows of its proprietary fund types and similar trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the individual fund supporting financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds as of September 30, 2001, and the results of operations and the cash flows of such funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund supporting financial statements referred to in the first paragraph. The accompanying combining, individual fund and individual account group financial statements and schedules, other than those referred to in the first paragraph, and schedules of general obligation bonds authorized and unissued and revenue bonds authorized, deauthorized, and unissued, as listed under "Supplemental Information" in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Austin, Texas. Such information, other than those individual fund supporting financial statements referred to in the first paragraph, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. The schedules listed under "Statistical Section" in the accompanying table of contents were not audited by us, and, accordingly, we express no opinion on them.

KPMG LLP

Richard Mendoza, CPA

Austin, Texas
January 18, 2002



KPMG LLP, KPMG LLP is a U.S. limited liability partnership in
a member of KPMG network of member firms.

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COMBINED FUNDS



ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Current assets:				
Cash	\$ 87,388	6,835	246	--
Pooled investments and cash	35,120,932	57,155,129	--	127,703,177
Investments, at fair value	--	903,585	16,344,051	--
Working capital advances	--	--	--	--
Cash and investments held by trustee	--	--	--	--
Receivables, net of allowances:				
Property taxes	4,445,274	--	3,072,010	--
Accounts and other receivables	27,849,270	16,982,963	--	2,384,375
Receivables from other governments	--	10,477,094	--	--
Due from other funds	--	13,689,040	--	7,997,755
Inventories, at cost	1,522,969	259,336	--	--
Real property held for resale	--	4,290,745	--	--
Other assets	273,011	930,616	--	839,748
Total current assets	69,298,844	104,695,343	19,416,307	138,925,055
Restricted assets:				
Revenue note current debt service account	--	--	--	--
Revenue bond current debt service account	--	--	--	--
Revenue bond future debt service account	--	--	--	--
Revenue bond retirement reserve account	--	--	--	--
Construction account	--	--	--	--
Due from other funds	--	--	--	--
Advances to other funds	--	--	--	--
Decommissioning account	--	--	--	--
Capital improvement account	--	--	--	--
Operating reserve account	--	--	--	--
Hotel occupancy tax account	--	--	--	--
Renewal and replacement account	--	--	--	--
Investments and cash held by trustee	--	--	--	--
Nuclear fuel inventory acquisition account	--	--	--	--
Mueller disposition account	--	--	--	--
Customer and escrow deposits	--	--	--	--
Other restricted accounts	--	--	--	--
Total restricted assets	--	--	--	--
Fixed assets, at cost:				
Property, plant and equipment	--	--	--	--
Less accumulated depreciation	--	--	--	--
Net property, plant and equipment	--	--	--	--
Investment in municipal utility districts	--	--	--	--
Intangible assets, net of amortization	--	--	--	--
Other long-term assets	--	--	--	--
Deferred costs and expenses, net of amortization	--	--	--	--
Other debits:				
Amount available in debt service funds	--	--	--	--
Amount to be provided for accrued compensated absences	--	--	--	--
Amount to be provided for retirement of long-term debt	--	--	--	--
Total assets	\$ 69,298,844	104,695,343	19,416,307	138,925,055

The accompanying notes are an integral part of the financial statements.

CITY OF AUSTIN, TEXAS
Exhibit A-1

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2001	2000
44,300	22,875	--	--	--	161,644	195,563
133,857,198	53,308,192	8,112,717	--	--	415,257,345	341,916,193
--	--	--	--	--	17,247,636	10,461,177
3,014,635	--	--	--	--	3,014,635	2,548,202
--	292,073	--	--	--	292,073	198,423
--	--	--	--	--	7,517,284	7,567,074
135,001,019	321,341	--	--	--	182,538,968	211,976,161
--	--	128,894	--	--	10,605,988	15,066,423
150,000	--	--	--	--	21,836,795	33,218,120
48,991,431	1,668,318	--	--	--	52,442,054	50,021,832
--	--	--	--	--	4,290,745	1,923,982
27,798,023	295,823	--	--	--	30,137,221	66,596,625
348,856,606	55,908,622	8,241,611	--	--	745,342,388	741,689,775
392,997	--	--	--	--	392,997	441,867
134,089,286	--	--	--	--	134,089,286	118,709,645
192,196,078	--	--	--	--	192,196,078	221,753,105
177,614,370	--	--	--	--	177,614,370	168,178,520
325,032,405	1,885,414	--	--	--	326,917,819	376,567,991
26,872	--	--	--	--	26,872	384,424
4,559,850	--	--	--	--	4,559,850	4,586,722
72,591,362	--	--	--	--	72,591,362	63,515,224
34,547,866	--	--	--	--	34,547,866	15,485,262
6,900,950	--	--	--	--	6,900,950	17,509,286
572,788	--	--	--	--	572,788	2,076,499
11,063,999	--	--	--	--	11,063,999	11,043,578
5,213,934	--	--	--	--	5,213,934	20,393,686
31,898,253	--	--	--	--	31,898,253	33,473,935
5,778,587	--	--	--	--	5,778,587	2,616,040
7,325,312	--	--	--	--	7,325,312	12,199,305
14,153,590	--	--	--	--	14,153,590	10,156,981
1,023,958,499	1,885,414	--	--	--	1,025,843,913	1,079,092,070
6,494,638,304	77,773,612	--	734,191,487	--	7,306,603,403	6,775,627,049
(1,944,774,595)	(26,697,015)	--	--	--	(1,971,471,610)	(1,822,117,652)
4,549,863,709	51,076,597	--	734,191,487	--	5,335,131,793	4,953,509,397
1,756,084	--	--	--	--	1,756,084	2,107,665
95,101,582	--	--	--	--	95,101,582	97,500,000
3,969,980	--	--	--	--	3,969,980	1,326,942
634,789,800	8,404	--	--	--	634,798,204	641,821,907
--	--	--	--	16,467,130	16,467,130	9,756,704
--	--	--	--	49,412,297	49,412,297	47,885,622
--	--	--	--	566,110,732	566,110,732	553,810,692
6,658,296,260	108,879,037	8,241,611	734,191,487	631,990,159	8,473,934,103	8,128,500,774

(continued)

**ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Current liabilities:				
Accounts payable	\$ 5,586,536	4,690,171	--	7,072,545
Accrued payroll	5,798,262	268,918	--	--
Accrued compensated absences	2,774,177	192,714	--	--
Claims payable	--	--	--	--
Construction contracts payable	--	--	--	--
Contract revenue bonds payable	--	--	--	--
Due to other governments	--	--	--	--
Due to other funds	--	13,839,040	--	7,994,095
Interest payable on other debt	--	--	--	--
General obligation bonds payable and other tax supported debt	--	--	--	--
Water improvement district bonds payable	--	--	--	--
Capital lease obligations payable	--	--	--	--
Deferred revenue and other liabilities	7,059,278	46,022,257	2,949,177	929,415
Total current liabilities	21,218,253	65,013,100	2,949,177	15,996,055
Liabilities payable from restricted assets:				
Accounts and retainage payable	--	--	--	--
Accrued interest payable	--	--	--	--
General obligation bonds and other tax supported debt payable	--	--	--	--
Revenue bonds payable within one year	--	--	--	--
Capital lease obligations payable	--	--	--	--
Decommissioning expense payable	--	--	--	--
Nuclear fuel expense payable	--	--	--	--
Other liabilities	--	--	--	--
Total liabilities payable from restricted assets	--	--	--	--
Long-term obligations, net of current portion:				
Accrued compensated absences	--	--	--	--
Claims payable	--	--	--	--
Construction contracts payable	--	--	--	--
Contract revenue bonds payable, net of discount	--	--	--	--
Advances from other funds	--	--	--	--
Loans payable	--	--	--	--
Capital appreciation bond interest payable	--	--	--	--
Commercial paper notes payable	--	--	--	--
Revenue notes payable	--	--	--	--
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	--	--	--	--
Revenue bonds payable, net of discount and inclusive of premium	--	--	--	--
Water improvement district bonds payable	--	--	--	--
Capital lease obligations payable	--	--	--	--
Decommissioning assessment payable	--	--	--	--
Accrued landfill closure and postclosure costs	--	--	--	--
Deferred revenue and other liabilities	--	--	--	--
Total liabilities	\$ 21,218,253	65,013,100	2,949,177	15,996,055

The accompanying notes are an integral part of the financial statements

CITY OF AUSTIN, TEXAS
Exhibit A-1
(Continued)

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2001	2000
70,348,995	5,015,021	42,177	--	--	92,755,445	100,063,130
4,260,772	1,735,063	--	--	--	12,063,015	9,638,871
10,888,218	4,055,853	--	--	--	17,910,962	18,378,165
--	14,101,232	--	--	--	14,101,232	13,747,986
204,041	--	--	--	--	204,041	1,074,032
6,605,000	--	--	--	--	6,605,000	6,930,000
--	--	1,587,256	--	--	1,587,256	1,310,591
--	26,872	3,660	--	--	21,863,667	33,602,544
5,210,331	70,899	--	--	--	5,281,230	6,392,313
2,953,607	1,058,294	--	--	--	4,011,901	3,906,398
250,000	--	--	--	--	250,000	366,000
2,286,614	--	--	--	--	2,286,614	2,100,001
7,863,588	1,000,451	3,198,822	--	--	69,022,988	63,425,716
110,871,166	27,063,685	4,831,915	--	--	247,943,351	260,935,747
46,646,854	--	--	--	--	46,646,854	40,191,049
71,024,255	--	--	--	--	71,024,255	62,027,168
5,045,853	--	--	--	--	5,045,853	3,688,803
105,220,662	--	--	--	--	105,220,662	104,302,365
--	--	--	--	--	--	7,500,000
72,591,362	--	--	--	--	72,591,362	63,515,224
31,898,253	--	--	--	--	31,898,253	33,473,935
10,970,414	--	--	--	--	10,970,414	11,954,008
343,397,653	--	--	--	--	343,397,653	326,652,552
8,106,045	2,466,758	--	--	49,412,297	59,985,100	56,381,438
--	9,416,434	--	--	--	9,416,434	8,378,102
75,000	--	--	--	--	75,000	75,000
69,858,104	--	--	--	--	69,858,104	88,254,611
--	241,850	--	--	4,318,000	4,559,850	4,586,722
--	--	--	--	11,208,126	11,208,126	9,210,660
145,060,818	--	--	--	--	145,060,818	128,547,946
228,468,720	--	--	--	--	228,468,720	403,255,427
28,000,000	--	--	--	--	28,000,000	28,000,000
61,855,982	4,917,785	--	--	562,677,630	629,451,397	623,286,293
3,125,935,659	--	--	--	--	3,125,935,659	2,875,791,298
--	--	--	--	--	--	423,000
16,636,520	--	--	--	--	16,636,520	17,534,999
1,703,648	--	--	--	--	1,703,648	1,976,937
6,904,024	--	--	--	--	6,904,024	6,700,886
42,636,780	--	--	--	4,374,106	47,010,886	9,233,172
4,189,510,119	44,106,512	4,831,915	--	631,990,159	4,975,615,290	4,849,224,790

(continued)

**ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Continued				
Equity and other credits:				
Contributions from municipality	\$ --	--	--	--
Contributions from State and Federal governments	--	--	--	--
Contributions in aid of construction	--	--	--	--
Contributions from the private sector	--	--	--	--
Investment in general fixed assets	--	--	--	--
Retained earnings:				
Reserved for renewal and replacement	--	--	--	--
Reserved for passenger facility charge	--	--	--	--
Unreserved	--	--	--	--
Fund balances:				
Reserved:				
Encumbrances	6,460,867	3,276,115	--	79,211,890
Inventories and prepaid items	1,795,980	259,336	--	--
Notes receivable	--	3,441,706	--	--
Real property held for resale	--	4,290,745	--	--
Nonexpendable trust	--	--	--	--
Emergencies	15,000,000	--	--	--
Contingencies	366,953	--	--	--
Unreserved:				
Designated for future use	539,613	29,247,723	--	--
Designated for debt service	--	--	16,467,130	--
Designated for purposes of trust	--	--	--	--
Undesignated	23,917,178	(833,382)	--	43,717,110
Total equity and other credits	48,080,591	39,682,243	16,467,130	122,929,000
Total liabilities, equity and other credits	\$ 69,298,844	104,695,343	19,416,307	138,925,055

The accompanying notes are an integral part of the financial statements

CITY OF AUSTIN, TEXAS
Exhibit A-1
(Continued)

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	2001	2000
56,252,909	53,464,798	--	--	--	109,717,707	102,259,366
162,967,116	--	--	--	--	162,967,116	167,117,885
394,672,524	--	--	--	--	394,672,524	410,144,687
4,175,344	--	--	--	--	4,175,344	4,175,344
--	--	--	734,191,487	--	734,191,487	669,969,579
11,063,999	--	--	--	--	11,063,999	11,065,953
11,909,161	--	--	--	--	11,909,161	10,152,485
1,827,745,088	11,307,727	--	--	--	1,839,052,815	1,680,670,900
--	--	--	--	--	88,948,872	62,693,897
--	--	--	--	--	2,055,316	1,824,251
--	--	--	--	--	3,441,706	5,040,609
--	--	--	--	--	4,290,745	1,923,982
--	--	1,040,217	--	--	1,040,217	1,040,217
--	--	--	--	--	15,000,000	17,658,310
--	--	--	--	--	366,953	615,422
--	--	--	--	--	29,787,336	33,760,268
--	--	--	--	--	16,467,130	9,756,704
--	--	2,369,479	--	--	2,369,479	4,224,460
--	--	--	--	--	66,800,906	85,181,665
2,468,786,141	64,772,525	3,409,696	734,191,487	--	3,498,318,813	3,279,275,984
6,658,296,260	108,879,037	8,241,611	734,191,487	631,990,159	8,473,934,103	8,128,500,774

**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000**

	Governmental Fund Types		
	General	Special Revenue	Debt Service
REVENUES			
Taxes	\$ 251,749,818	36,178,201	68,639,520
Franchise fees	31,452,706	--	--
Fines, forfeitures and penalties	16,999,766	4,184,809	--
Licenses, permits and inspections	17,630,897	--	--
Charges for services/goods	14,984,531	22,836,690	--
Intergovernmental revenues	--	42,307,471	--
Property owners' participation and contributions	--	--	--
Contributions to trusts	--	--	--
Interest and other	10,584,063	22,076,579	3,101,822
Total revenues	343,401,781	127,583,750	71,741,342
EXPENDITURES (1)			
Current:			
Administration	9,425,506	58,430,016	--
Urban growth management	11,569,463	--	--
Public safety	210,280,836	--	--
Public services and utilities	9,519,936	--	--
Public health	41,437,116	--	--
Public recreation and culture	47,459,639	--	--
Social services management	8,071,026	--	--
Nondepartmental expenditures	57,857,261	--	--
Special projects	--	53,632,074	--
Capital outlay for construction	--	--	--
Debt service:			
Principal retirement	--	--	44,550,106
Interest, commissions and other	--	--	30,295,459
Total expenditures	395,620,783	112,062,090	74,845,565
Excess (deficiency) of revenues over expenditures	(52,219,002)	15,521,660	(3,104,223)
OTHER FINANCING SOURCES (USES)			
Proceeds of refunding bonds	--	--	110,563,444
Payment to escrow agent	--	--	(110,563,444)
Proceeds from issuance of general obligation bonds and other tax supported debt	--	--	--
Operating transfers in	86,282,962	39,320,803	9,814,649
Operating transfers out	(29,992,440)	(59,736,704)	--
Total other financing sources (uses)	56,290,522	(20,415,901)	9,814,649
Excess (deficiency) of revenues and other sources over expenditures and other uses	4,071,520	(4,894,241)	6,710,426
Fund balances at beginning of year	44,509,071	35,070,972	9,756,704
Adjustment for a change in accounting principle	--	9,070,655	--
Fund balances at beginning of year, as restated	44,509,071	44,141,627	9,756,704
Residual equity transfer in (out)	(500,000)	434,857	--
Fund balances at end of year	\$ 48,080,591	39,682,243	16,467,130

(1) Expenditures include capital outlay of \$2,432,283 in the General Fund, \$668,248 in the special revenue funds, and \$213,506 in the expendable trust funds.

The accompanying notes are an integral part of the financial statements.

CITY OF AUSTIN, TEXAS
Exhibit A-2

Capital Projects	Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
		2001	2000
--	--	356,567,539	341,986,742
--	--	31,452,706	23,699,065
--	--	21,184,575	20,024,670
--	--	17,630,897	18,173,885
--	--	37,821,221	43,227,549
8,961,227	--	51,268,698	44,973,932
11,439,828	--	11,439,828	9,508,185
--	720,273	720,273	337,735
11,963,968	189,359	47,915,791	36,906,538
32,365,023	909,632	576,001,528	538,838,301
--	--	67,855,522	65,875,366
--	--	11,569,463	10,188,934
--	20,676	210,301,512	191,614,923
--	11,773	9,531,709	6,129,315
--	--	41,437,116	41,037,563
--	2,521,381	49,981,020	44,429,880
--	--	8,071,026	9,387,107
--	--	57,857,261	53,458,609
--	--	53,632,074	39,230,221
105,423,588	--	105,423,588	99,863,556
--	--	44,550,106	27,220,117
--	--	30,295,459	42,460,582
105,423,588	2,553,830	690,505,856	630,896,173
(73,058,565)	(1,644,198)	(114,504,328)	(92,057,872)
--	--	110,563,444	--
--	--	(110,563,444)	--
58,990,000	--	58,990,000	59,330,000
41,854,349	1,000,000	178,272,763	139,301,402
(24,904,490)	(173,580)	(114,807,214)	(79,355,042)
75,939,859	826,420	122,455,549	119,276,360
2,881,294	(817,778)	7,951,221	27,218,488
120,047,706	4,224,460	213,608,913	187,793,677
--	--	9,070,655	7,806,558
120,047,706	4,224,460	222,679,568	195,600,235
--	(1,037,203)	(1,102,346)	(139,155)
122,929,000	2,369,479	229,528,443	222,679,568

**GENERAL FUND, SPECIAL REVENUE FUNDS AND DEBT SERVICE FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL-BUDGET BASIS
Year ended September 30, 2001**

	General Fund			Annually Budgeted Special Revenue Funds		
	Actual- Budget	Budget	Variance -- Favorable	Actual- Budget	Budget	Variance -- Favorable
	Basis		(Unfavorable)	Basis		(Unfavorable)
REVENUES						
Taxes	\$ 251,749,818	259,543,305	(7,793,487)	--	--	--
Franchise fees	31,452,706	28,002,200	3,450,506	--	--	--
Fines, forfeitures and penalties	16,999,766	16,684,955	314,811	--	--	--
Licenses, permits and inspections	17,630,897	16,953,748	677,149	--	--	--
Charges for services/goods	13,724,721	11,262,833	2,461,888	--	--	--
Interest and other	10,584,063	8,957,902	1,626,161	74,703,323	70,953,424	3,749,899
Total revenues	342,141,971	341,404,943	737,028	74,703,323	70,953,424	3,749,899
EXPENDITURES						
Administration	9,422,061	9,757,764	335,703	55,433,485	57,906,326	2,472,841
Urban growth management	11,611,673	13,028,116	1,416,443	--	--	--
Public safety	212,694,718	217,975,633	5,280,915	--	--	--
Public services and utilities	9,681,985	10,111,779	429,794	--	--	--
Public health	41,634,578	42,067,305	432,727	--	--	--
Public recreation and culture	47,783,963	47,973,830	189,867	--	--	--
Social services management	7,296,906	8,517,380	1,220,474	--	--	--
Nondepartmental expenditures	9,007,839	9,476,990	469,151	--	--	--
Principal retirement	--	--	--	--	--	--
Interest and other	--	--	--	--	--	--
Fees and commissions	--	--	--	--	--	--
Total expenditures	349,133,723	358,908,797	9,775,074	55,433,485	57,906,326	2,472,841
Excess (deficiency) of revenues over expenditures	(6,991,752)	(17,503,854)	10,512,102	19,269,838	13,047,098	6,222,740
OTHER FINANCING SOURCES (USES)						
Operating transfers in	93,697,676	92,882,676	815,000	39,123,803	39,061,313	62,490
Operating transfers out	(81,948,329)	(85,674,400)	3,726,071	(61,071,665)	(58,852,169)	(2,219,496)
Total other financing sources (uses)	11,749,347	7,208,276	4,541,071	(21,947,862)	(19,790,856)	(2,157,006)
Excess (deficiency) of revenues and other sources over expenditures and other uses	4,757,595	(10,295,578)	15,053,173	(2,678,024)	(6,743,758)	4,065,734
Fund balances at beginning of year	39,205,196	10,315,578	28,889,618	12,275,160	5,621,098	6,654,062
Fund balances at end of year	\$ 43,962,791	20,000	43,942,791	9,597,136	(1,122,660)	10,719,796

The accompanying notes are an integral part of the financial statements.

CITY OF AUSTIN, TEXAS
Exhibit A-3

Debt Service Fund			Totals (Memorandum Only)		
Actual- Budget Basis	Budget	Variance -- Favorable (Unfavorable)	Actual- Budget Basis	Budget	Variance -- Favorable (Unfavorable)
68,639,520	68,515,476	124,044	320,389,338	328,058,781	(7,669,443)
-	-	-	31,452,706	28,002,200	3,450,506
-	-	-	16,999,766	16,684,955	314,811
-	-	-	17,630,897	16,953,748	677,149
-	-	-	13,724,721	11,262,833	2,461,888
3,101,822	3,032,846	68,976	88,389,208	82,944,172	5,445,036
71,741,342	71,548,322	193,020	488,586,636	483,906,689	4,679,947
-	-	-	64,855,546	67,664,090	2,808,544
-	-	-	11,611,673	13,028,116	1,416,443
-	-	-	212,694,718	217,975,633	5,280,915
-	-	-	9,681,985	10,111,779	429,794
-	-	-	41,634,578	42,067,305	432,727
-	-	-	47,783,963	47,973,830	189,867
-	-	-	7,296,906	8,517,380	1,220,474
-	-	-	9,007,839	9,476,990	469,151
50,813,885	48,123,885	(2,690,000)	50,813,885	48,123,885	(2,690,000)
32,728,200	36,669,300	3,941,100	32,728,200	36,669,300	3,941,100
13,962	10,000	(3,962)	13,962	10,000	(3,962)
83,556,047	84,803,185	1,247,138	488,123,255	501,618,308	13,495,053
(11,814,705)	(13,254,863)	1,440,158	463,381	(17,711,619)	18,175,000
18,525,131	12,264,564	6,260,567	151,346,610	144,208,553	7,138,057
-	-	-	(143,019,994)	(144,526,569)	1,506,575
18,525,131	12,264,564	6,260,567	8,326,616	(318,016)	8,644,632
6,710,426	(990,299)	7,700,725	8,789,997	(18,029,635)	26,819,632
9,756,704	9,350,509	406,195	61,237,060	25,287,185	35,949,875
16,467,130	8,360,210	8,106,920	70,027,057	7,257,550	62,769,507

**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS/FUND BALANCES
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000**

	Proprietary Fund Types	
	Enterprise	Internal Service
REVENUES		
Electric services	\$ 806,310,682	—
Water and wastewater services	219,914,504	—
User fees and rentals	178,112,881	—
Billings to departments	—	169,413,223
Employee contributions	—	20,350,742
Operating revenues from other governments	3,266,054	—
Other operating revenues	—	4,341,498
Operating revenues	1,207,604,121	194,105,463
EXPENSES		
Electric operations	458,685,525	—
Water and wastewater operations	102,411,722	—
Other enterprise operations	141,784,303	—
Internal service operations	—	188,345,906
Depreciation and amortization	160,840,169	3,591,343
Total operating expenses	863,721,719	189,937,249
Operating income (loss) before nonoperating revenues (expenses) and operating transfers	343,882,402	4,168,214
NONOPERATING REVENUES (EXPENSES)		
Interest and other revenues	81,598,970	1,510,452
Interest on revenue bonds and other debt	(227,748,710)	(312,766)
Interest capitalized during construction	5,234,561	—
Capital contributions	46,843,438	—
Passenger facility charge	9,999,244	—
Amortization of bond issue costs	(1,452,994)	(6,223)
Other nonoperating expense	(1,732,555)	(199,576)
Total nonoperating revenues (expenses)	(87,258,046)	991,887
Costs (recovered) to be recovered in future years	(40,719,456)	—
Income (loss) before operating transfers	215,904,900	5,160,101
Operating transfers:		
Operating transfers in	36,576,026	1,000,000
Operating transfers out	(101,041,575)	—
Net income (loss)	151,439,351	6,160,101
Add depreciation transferred to contributions	2,537,185	—
Net increase in retained earnings/fund balances	153,976,536	6,160,101
Retained earnings/fund balances at beginning of year, as previously reported	1,699,241,712	5,147,626
Prior period adjustment	(2,500,000)	—
Retained earnings/fund balances at beginning of year, as restated	1,696,741,712	5,147,626
Retained earnings/fund balances at end of year	\$ 1,850,718,248	11,307,727

The accompanying notes are an integral part of the financial statements.

CITY OF AUSTIN, TEXAS
Exhibit A-4

Fiduciary Fund Type	Totals (Memorandum Only)	
	2001	2000
Nonexpendable Trust		
--	806,310,682	782,729,128
--	219,914,504	240,478,634
--	178,112,881	159,972,993
--	169,413,223	142,895,966
--	20,350,742	18,389,105
--	3,266,054	3,278,280
--	4,341,498	3,036,285
--	1,401,709,584	1,350,780,391
--	458,685,525	420,074,862
--	102,411,722	96,365,741
--	141,784,303	123,538,253
--	186,345,906	161,563,025
--	164,431,512	159,361,415
--	1,053,658,968	960,903,296
--	348,050,616	389,877,095
--	83,109,422	72,782,771
--	(228,061,476)	(225,453,642)
--	5,234,561	1,852,527
--	46,843,438	--
--	9,999,244	9,407,652
--	(1,459,217)	(1,430,722)
--	(1,932,131)	(4,339,779)
--	(86,266,159)	(147,181,193)
--	(40,719,456)	25,711,965
--	221,065,001	268,407,867
--	37,576,026	26,368,879
--	(101,041,575)	(86,315,239)
--	157,599,452	208,461,507
--	2,537,185	2,342,835
--	160,136,637	210,804,342
1,040,217	1,705,429,555	1,492,125,213
--	(2,500,000)	--
1,040,217	1,702,929,555	1,492,125,213
1,040,217	1,863,066,192	1,702,929,555

**ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
COMBINED STATEMENT OF CASH FLOWS**

**CITY OF AUSTIN, TEXAS
Exhibit A-5**

Year ended September 30, 2001

With comparative totals for year ended September 30, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust (1)	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 1,268,237,045	194,706,933	--	1,462,943,978	1,256,518,708
Cash payments to suppliers for goods and services	(469,462,293)	(68,782,766)	--	(536,245,059)	(442,115,070)
Cash payments to employees for services	(202,768,392)	(78,710,560)	--	(281,478,952)	(259,860,712)
Cash payments to claimants/beneficiaries	--	(38,399,752)	--	(38,399,752)	(36,369,463)
Cash received from other governments	3,266,054	--	--	3,266,054	2,785,271
Taxes collected and remitted to other governments	(22,824,871)	--	--	(22,824,871)	(16,981,467)
Net cash provided by operating activities	576,447,543	10,813,855	--	587,261,398	503,977,267
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating transfers in	36,576,026	1,000,000	--	37,576,026	26,368,879
Operating transfers out	(101,041,575)	--	--	(101,041,575)	(86,315,239)
Interest paid on revenue notes and other debt	(189,068)	--	--	(189,068)	(1,170,582)
(Increase) decrease in deferred assets	(938,863)	--	--	(938,863)	135,567
Contributions from municipality	904,368	3,253,421	--	4,157,789	139,155
Loan repayments to other funds	(178,169)	--	--	(178,169)	--
Loan repayments from other funds	--	--	--	--	21,222
Net cash provided (used) by noncapital financing activities	(64,867,281)	4,253,421	--	(60,613,860)	(60,820,998)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from long-term debt issues	172,830,000	--	--	172,830,000	217,844,960
Proceeds from long-term loans	1,405,340	--	--	1,405,340	--
Principal paid on long-term debt	(119,832,943)	(1,218,746)	--	(121,051,689)	(135,584,651)
Proceeds from the sale of fixed assets	20,000	17,000	--	37,000	930,246
Purchased interest received	2,715,091	--	--	2,715,091	815,775
Interest paid on revenue bonds and other debt	(198,907,791)	(332,315)	--	(199,240,106)	(201,681,835)
Passenger facility charges	9,999,244	--	--	9,999,244	9,407,652
Acquisition and construction of capital assets	(449,640,566)	(11,238,356)	--	(460,878,922)	(368,546,747)
Contributions from municipality	1,366	3,731,702	--	3,733,068	6,776,620
Contributions from State and Federal governments	8,943,294	--	--	8,943,294	10,931,313
Acquisition of intangible assets	(101,582)	--	--	(101,582)	(100,000,000)
Contributions in aid of construction	4,254,591	--	--	4,254,591	16,594,929
Bond discounts and issuance costs	(3,809,169)	(4,111)	--	(3,813,280)	(2,245,888)
Bond premiums	3,060,414	28,186	--	3,088,600	240,583
Bonds issued for advanced refundings of debt	367,738,710	590,656	--	368,329,366	100,000,000
Cash paid for bond refundings/defeasances	(376,494,068)	(603,492)	--	(377,097,560)	(99,205,027)
Cash paid for nuclear fuel inventory	(10,571,733)	--	--	(10,571,733)	(6,681,685)
Net cash used by capital and related financing activities	(588,389,802)	(9,029,476)	--	(597,419,278)	(550,403,755)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investment securities	(707,851,885)	--	--	(707,851,885)	(652,344,315)
Proceeds from sale and maturities of investment securities	731,249,880	--	--	731,249,880	668,174,899
Interest on investments	62,394,228	1,510,452	--	63,904,680	63,408,464
Reverse repurchase agreement income	--	--	--	--	4,608,990
Reverse repurchase agreement expense	--	--	--	--	(4,357,463)
Net cash provided by investing activities	\$ 85,792,223	1,510,452	--	87,302,675	79,490,575

(continued)

The accompanying notes are an integral part of the financial statements.

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
COMBINED STATEMENT OF CASH FLOWS
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000.

CITY OF AUSTIN, TEXAS
Exhibit A-5
(Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust (1)	2001	2000
Net increase (decrease) in cash and cash equivalents	\$ 8,982,683	7,548,252	--	16,530,935	(27,756,911)
Cash and cash equivalents, October 1, 2000 (2)	556,854,286	47,960,302	1,040,217	605,854,805	633,611,716
Cash and cash equivalents, September 30, 2001 (2)	565,836,969	55,508,554	1,040,217	622,385,740	605,854,805

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income	343,882,402	4,168,214	--	348,050,616	389,877,095
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	158,340,169	3,591,343	--	161,931,512	156,861,415
Amortization	12,846,051	--	--	12,846,051	11,549,749
Change in assets and liabilities:					
(Increase) decrease in working capital advances	(466,433)	--	--	(466,433)	578,050
(Increase) decrease in accounts receivable	24,254,033	14,708	--	24,268,741	(38,529,923)
(Increase) decrease in allowance for uncollectible accounts	131,372	--	--	131,372	(364,004)
Decrease in due from other funds	--	--	--	--	24,766
(Increase) decrease in inventory	(2,589,703)	411,012	--	(2,178,691)	3,291,819
(Increase) decrease in prepaid expenses and deferred costs	567,710	(96,545)	--	471,165	(1,084,338)
(Increase) decrease in other regulatory assets	(100,068)	--	--	(100,068)	356,339
(Increase) decrease in other long-term assets	(2,643,038)	--	--	(2,643,038)	123,674
Increase (decrease) in accounts payable	(3,474,944)	321,243	--	(3,153,701)	32,446,830
Increase (decrease) in accrued payroll and compensated absences	2,204,700	648,343	--	2,853,043	(8,174,383)
Increase (decrease) in deferred revenue	(985,824)	586,762	--	(399,062)	(892,652)
Decrease in decommissioning assessment payable	(262,048)	--	--	(262,048)	(271,131)
(Increase) decrease in unrecovered fuel revenue	35,803,879	--	--	35,803,879	(51,725,251)
Increase in accrued landfill closure costs	203,138	--	--	203,138	233,505
Increase in claims payable	--	1,391,578	--	1,391,578	2,453,761
Decrease in due to other governments	--	--	--	--	(493,009)
Decrease in due to other funds	--	(301,397)	--	(301,397)	(45,988)
Decrease in advance from other funds	--	(26,872)	--	(26,872)	(328,269)
Increase in other liabilities	7,819,618	105,466	--	7,925,084	7,146,769
Increase in customer deposits	916,529	--	--	916,529	942,443
Total adjustments	232,565,141	6,645,641	--	239,210,782	114,100,172
Net cash provided by operating activities	\$ 576,447,543	10,813,855	--	587,261,398	503,977,267

(continued)

- (1) Nonexpendable trust fund cash and cash equivalents of \$1,040,217 are reported on the balance sheet with all trust and agency funds' pooled investments and cash of \$9,421,637 at October 1, 2000 and \$8,112,717 at September 30, 2001.
- (2) Cash and cash equivalents includes \$476,493,720 and \$2,375,955 in enterprise and internal service funds' restricted accounts, respectively at October 1, 2000 and \$431,935,471 and \$1,885,414 in enterprise and internal service funds' restricted accounts, respectively at September 30, 2001.

The accompanying notes are an integral part of the financial statements.

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
 COMBINED STATEMENT OF CASH FLOWS
 Year ended September 30, 2001
 With comparative totals for year ended September 30, 2000

CITY OF AUSTIN, TEXAS
 Exhibit A-5
 (Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust (1)	2001	2000
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:					
Increase in advances to other funds	\$ --	--	--	--	4,318,000
Increase (decrease) in deferred assets/expenses	(22,261,454)	(1,100)	--	(22,262,554)	9,720,585
Unamortized bond discounts, premiums, and issue costs on refunded bonds	(790,465)	--	--	(790,465)	--
Increase in capital appreciation					
bond interest payable	(16,512,872)	--	--	(16,512,872)	(18,674,086)
Increase in deferred revenue	--	--	--	--	(4,318,000)
Increase in contributed facilities	18,229,303	--	--	18,229,303	14,918,520
Net increase in fair value of investment	17,604,840	--	--	17,604,840	990,517
Amortization of bond discounts, premiums, and issue costs	(4,912,708)	(2,455)	--	(4,915,163)	(5,333,141)
Amortization of deferred loss on refundings	(539,387)	(3,768)	--	(543,155)	(514,217)
Loss on disposal of assets	(947,635)	(199,576)	--	(1,147,211)	(1,872,106)
Costs (recovered) to be recovered in future years	(40,719,456)	--	--	(40,719,456)	25,711,965
Loss on extinguishment of debt	(116,807)	--	--	(116,807)	(556,529)
Due to other funds for fixed assets	--	--	--	--	(2,656)
Contributions from other funds	--	--	--	--	63,750
Deferred revenue and other liabilities	34,362,666	--	--	34,362,666	--

The accompanying notes are an integral part of the financial statements

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1 -- REPORTING ENTITY

The City of Austin, Texas (the City) is a municipal corporation incorporated under Article XI, Section 5 of the Constitution of the State of Texas (Home Rule Amendment). The City operates under a Council-Manager form of government. The City Council is composed of a Mayor and six Councilmembers, all of whom are elected at large for three-year staggered terms, and who may serve for a maximum of two consecutive terms.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City.

The City's major activities or functions include police and fire protection, emergency medical services, parks and libraries, public health and social services, urban growth management, and general administrative services. In addition, the City owns and operates certain major enterprise activities, including an electric utility system, water and wastewater system, airport, convention center, and other enterprise activities. These activities are included in the accompanying financial statements.

Blended Component Units

The Austin Housing Finance Corporation (AHFC) and Austin Industrial Development Corporation (AIDC) are legally separate entities from the City. AHFC and AIDC serve all the citizens of Austin and are governed by a board composed of the City Councilmembers. The activities are reported in the Housing Assistance Fund and Austin Industrial Development Corporation Fund, special revenue funds.

Related Organizations

The following entities are related organizations to which the City Council appoints board members, but for which the City has no significant financial accountability. The City appoints certain members of the board of the Capital Metropolitan Transit Authority (Capital Metro), but the City's accountability for this organization does not extend beyond making the appointments. City Councilmembers appoint themselves as members of the board of the Austin-Bergstrom International Airport (ABIA) Development Corporation; their function on this board is ministerial rather than substantive. The City Council appoints the members of the board of Austin-Bergstrom Landhost Enterprises, Inc., and Austin Convention Enterprises, Inc.; the function of these boards is ministerial rather than substantive.

The City retirement plans (described in Note 9) and the City of Austin Deferred Compensation Plan for City employees are not included in the City's reporting entity because the City does not exercise substantial control over the entities.

2 -- SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City relating to the funds and account groups included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) in its publication GASB Statement 1 entitled *Authoritative Status of NCGA Pronouncements and AICPA Industry Auditing Guide*, and all subsequent GASB statements, interpretations, concept statements, and technical bulletins; the National Council on Governmental Accounting (NCGA) in the publication entitled *Governmental Accounting, Auditing, and Financial Reporting*, including NCGA Statements 1 through 7 and interpretations thereof; and by the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*. The following represent the more significant accounting and reporting policies and practices used by the City.

GASB Statement 34

GASB Statement 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments* represents a significant change in financial reporting for governments. The City will implement GASB Statement No. 34 in the financial statements for fiscal year 2002.

Audit

The Charter of the City of Austin requires an annual audit by an independent certified public accountant.

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

Basis of Presentation

The accounts of the City are organized and operated on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances or retained earnings, revenues, and expenditures or expenses. The various funds are grouped by category and type in the financial statements. The City maintains the following fund types within three broad fund categories and the account groups:

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those, if any, which should be accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of financial position and changes in financial position rather than on determination of net income. The following governmental fund types are maintained by the City:

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law, ordinance, or contractual agreement to other funds are accounted for in this fund.

Special Revenue Funds -- Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. There are four major groups of funds within the special revenue funds, in addition to the Housing Assistance Fund. Of these groups, three account for the activities related to grant programs and one accounts for activities for which expenditures are legally restricted. The groups are: Federal grant funds (both direct and indirect funds), State grant funds, other special revenue grant funds, and other special revenue funds.

Debt Service Funds -- The debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, related costs and certain loans. The two debt service funds are General Obligation Debt Service and HUD Section 108 Loans.

Capital Project Funds -- Capital project funds are used to account for financial resources for the acquisition or construction of major capital facilities (other than those reported within proprietary funds and trust funds). Capital projects are funded primarily by general obligation debt, other tax supported debt, interest income, and other intergovernmental revenues.

In 1981, the City Council passed an ordinance that requires the establishment of a separate fund for each bond proposition approved in each bond election. These separate funds are grouped by year and by bond election date. There are eight major groups of funds within the capital projects funds that account for the activities related to various capital improvement projects as follows:

- Prior to 1984: funds authorized prior to 1981;
funds authorized August 29, 1981, for street and drainage, fire stations,
and emergency medical service projects;
funds authorized September 11, 1982, for various purposes;
funds authorized October 22, 1983, for Jollyville Road Improvements and City facility improvements;
- 1984: funds authorized September 8, 1984, for various purposes;
- 1985: funds authorized January 19, 1985, for cultural projects;
funds authorized July 26, 1985, for parks and recreation;
funds authorized September 26, 1985, for art in public places;
funds authorized December 14, 1985, for various purposes;
- 1987: funds authorized September 3, 1987, for street improvements;
- 1992: funds authorized August 10, 1992, for various purposes;
- 1997: funds authorized May 3, 1997, for radio trunking;
- 1998: funds authorized November 3, 1998, for various purposes; and
- Other: other funds established for various purposes.

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

Proprietary Funds

Proprietary funds are used to account for the City's ongoing organizations and activities that are similar to those found in the private sector. The measurement focus is on capital maintenance and on determination of net income, financial position, and changes in financial position.

Enterprise Funds -- Enterprise funds are used to account for operations: (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The City's enterprise funds include the following:

Fund	Accounts For
Electric System	Activities of the City-owned electric utility, doing business as Austin Energy
Water and Wastewater System	Activities of the City-owned water and wastewater utility
Hospital	Activities related to the lease of City-owned Brackenridge Hospital
Solid Waste Services	Solid waste collection and disposal activities; recycling activities
Airport	Operations of the Austin-Bergstrom International Airport
Convention Center	Operations of the Convention Center, Palmer Auditorium, and the City Coliseum; construction of the Convention Center expansion and Town Lake Venue Project
Drainage	Drainage management activities
Transportation	Street maintenance activities
Golf	Public golf courses
Parks and Recreation	City-sponsored softball and recreation programs

Internal Service Funds -- Internal service funds are used to account for the financing of goods or services provided by one department or agency to other City departments or agencies or to other governmental units on a cost-reimbursement basis. The City maintains nine internal service funds as follows:

Fund	Accounts For
Fleet Maintenance	Maintenance costs of City-owned vehicles
Support Services	Activities of the City's support service departments
Information Systems	Activities of the Information Systems Department
Employee Benefits	Activities related to the health, dental, and life insurance costs of City employees
Liability Reserve	Coverage of the City's major claims liabilities
Workers' Compensation	Workers' compensation costs
Radio Communication	Radio communication services for City departments and area agencies
Infrastructure Support Services	Activities for support services for five City departments
Capital Projects Management	Activities for management of the City's capital improvement projects

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. Fiduciary funds include expendable and nonexpendable trust funds and agency funds.

Expendable Trust Funds -- Expendable trust funds are accounted for in essentially the same manner as governmental funds. The measurement focus is on determination of changes in financial position rather than on net income.

Nonexpendable Trust Funds -- These funds are accounted for in the same manner as proprietary funds, with the measurement focus on determination of net income and capital maintenance.

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

Agency Funds -- Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term liabilities. The following are the account groups maintained by the City:

General Fixed Assets Account Group -- This account group accounts for all fixed assets of the City other than those accounted for in the proprietary funds.

General Long-Term Debt Account Group -- This account group accounts for and provides control over all long-term liabilities other than those accounted for in the proprietary funds, including unmatured general obligation bonds.

Basis of Accounting

Basis of accounting refers to the time at which revenues and expenditures (governmental funds) or expenses (proprietary funds) are recognized in the accounts and reported in the financial statements.

Governmental funds, expendable trust funds, and agency funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, certain revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt, which is recognized when due. This exception is in conformity with generally accepted governmental accounting principles. Agency funds use the modified accrual basis of accounting to recognize assets and liabilities.

Property tax revenues are recognized when they become available in accordance with GASB Interpretation No. 5, *Property Tax Revenue Recognition in Governmental Funds*. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (within 60 days). Tax collections expected to be received after the 60-day availability period are reported as deferred revenue. Sales taxes are also recognized when they become available in accordance with GASB Statement No. 22, *Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds*.

In fiscal year 2001, the City implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues* -- an amendment of GASB Statement No. 33. The Statements establish financial reporting standards for nonexchange transactions. The Statements require that certain revenues be recognized when the underlying transaction occurs, even if collected in a future financial reporting period. As a result, the City has recognized certain imposed nonexchange transactions collected within 60 days subsequent to September 30. The cumulative effect to fund balance as of September 30, 2001 was an increase of \$5,831,220 in the Hotel-Motel Occupancy Tax Fund and an increase of \$2,408,514 in the Vehicle Rental Tax Fund. See page 27 for further information on prior period restatements. In addition, the City recognized certain capital contributions as non-operating revenues.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual grant programs are used for guidance. For most of the City's grants, money must be expended for the specific purpose or project before any amounts will be paid to the City. For all grants, revenues are recognized based upon the expenditures recorded.

Proprietary funds and nonexpendable trust funds use the accrual basis of accounting under which revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred, if measurable.

In accordance with GASB Statement 20, the City is required to follow all Financial Accounting Standards Board (FASB) pronouncements issued prior to November 30, 1989, including FASB Statement 71, unless those pronouncements conflict

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

with or contradict GASB pronouncements. The City has elected not to follow FASB pronouncements issued subsequent to that date.

Investment earnings are recorded on the accrual basis in all funds, and unrealized gains or losses on investments are recognized in accordance with GASB Statement No. 31.

Revenues in the Electric Fund, Water and Wastewater Fund, Solid Waste Services Fund, Drainage Fund, and Transportation Fund are recognized as they are billed to customers on a cyclical basis. Electric rates include a fixed rate and a fuel recovery cost-adjustment factor that allows recovery of coal, gas, purchased power, and other fuel costs. Electric deferred or unbilled revenues are recorded if actual fuel costs differ from amounts billed to customers, and any over-collections or under-collections are applied to the cost-adjustment factor. The fuel factor is revised annually on a calendar year basis or when over or under fuel recovery is more than 10% of expected fuel costs.

Revenues for the airport fund are recognized as they are billed to customers. Effective November 1, 1993, the Airport Fund began to charge each enplaned passenger a \$3 passenger facility charge, as allowed by the Federal Aviation Administration. Airport Fund 2001 non-operating revenues included passenger facility charges of \$9,999,244. These funds were approved by the FAA for debt service payments for the Austin-Bergstrom International Airport.

Revenues for the Convention Center are recognized as they are billed to customers upon completion of events held at the Convention Center facilities.

In accordance with current accounting principles, provisions of the various statements need not be applied to immaterial items.

Rates

The Texas Public Utility Commission has jurisdiction over electric utility wholesale transmission rates. The City Council has jurisdiction over all other electric utility rates and over all water and wastewater utility rates and other services. The Council's determination of water and wastewater utility rates and electric utility rates is based on the cost of operations and a debt service coverage approach.

Under a bill passed by the Texas Legislature in 1999, municipally owned electric utilities such as the City's utility system have the option of offering retail competition after January 1, 2002. At September 30, City management had not decided to enter into retail competition, as allowed by State law, thus the effects of entering retail competition are uncertain and do not warrant a change in accounting policy.

Budget

In accordance with the City Charter, the City adheres to the following procedures in establishing its operating budgets:

- (1) At least thirty days prior to the beginning of the new fiscal year, the City Manager submits a proposed budget to the City Council. The budget represents the financial plan for the new fiscal year and includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted on the budget to obtain taxpayer comments.
- (3) The budget is legally enacted by the City Council no later than the twenty-seventh day of the last month of the old fiscal year, through passage of an appropriation ordinance and tax levying ordinance.
- (4) The City Manager has the authority to transfer appropriation balances from one expenditure account to another within a fund and department of the City. The City Council must approve amendments to the budget and transfers of appropriations from one fund and department to another. Any budget amendments for the General Fund are summarized in Note 3.
- (5) Formal budgetary control is employed as a management control device during the year for the General Fund, certain non-grant special revenue funds, debt service funds and proprietary funds. Management control for the operating budget

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

is maintained at the fund and department level. Formal budgetary control is employed as a management control device in the special revenue grant funds and capital projects funds for the life of the related grants or projects.

- (6) Annual budgets are legally adopted for the General Fund, certain special revenue funds, debt service funds, certain trust funds, and proprietary funds. A comparison of budget to actual is presented in the financial statements for all governmental funds that adopt annual budgets. Budgets for the grant-related special revenue funds are established pursuant to the terms of the related grant awards.

Capital project fund appropriations are increased on an annual basis through the budgetary process. However, the budgets are not binding on an annual basis. Rather, budgets are long-range and are used for planning purposes. Accordingly, no comparison of budget to actual is presented in the financial statements for such funds.

- (7) The City Charter does not permit a deficiency of anticipated revenues over appropriations. If at any time during the fiscal year the City Manager determines that available revenues plus beginning fund balance will be less than total appropriations for the year, he or she shall reconsider the work programs of the departments and agencies and revise them to prevent deficit spending. Expenditures may not legally exceed budgeted activities at the departmental level.

- (8) At the close of each fiscal year, any unencumbered appropriation balances in the General Fund and certain special revenue funds lapse or revert to the undesignated fund balance. In the proprietary funds, unencumbered appropriations also lapse but do not revert to fund balance for accounting purposes because of the differences in methods of accounting. Unencumbered appropriation balances in the grant-related special revenue funds and capital projects funds do not lapse at year-end.

Encumbrances outstanding at year end and the related appropriation are available for expenditure in subsequent years. For governmental funds, encumbrances constitute the equivalent of expenditures for budgetary purposes and accordingly, the accompanying financial statements present comparisons of actual results to the budgets for governmental funds on a budget-basis (see Note 3), which may differ from that used for reporting in accordance with generally accepted accounting principles (GAAP basis).

Encumbrances

Encumbrances represent commitments for unperformed (executory) contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded to reserve appropriations, is used in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute GAAP-basis expenditures or liabilities, since the commitments will be honored during the subsequent year.

Pooled Investments and Cash

Cash balances of all City funds (except for certain funds shown in Note 6 as having non-pooled investments) are pooled and invested. Investments purchased with pooled cash, consisting primarily of U.S. government obligations and U.S. agency obligations, are stated at fair value. Interest earned on investments purchased with pooled cash is allocated monthly to each participating fund based upon the fund's average daily balance. Funds that incur a negative balance in pooled cash and investments are not allocated interest earnings nor charged interest expense.

Investments

The City complies with Governmental Accounting Standards Board (GASB) Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (see Note 6), which requires certain investments to be reported at fair value. The fair value is based on quoted market prices. Realized gains or losses resulting from the sale of investments are determined by the specific cost of the securities sold. The City carries all of its investments at fair value as of September 30, 2001.

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

Inventories

Inventories are valued at cost, which is determined as follows:

<u>Fund</u>	<u>Inventory Valuation Method</u>
General Fund	Average cost (predominantly); some first-in, first-out
Electric	
Fuel oil and coal	Last-in, first out
Other inventories	Average cost
All other	Average cost

Inventories for all funds use the consumption method and record expenditures when issued. Inventories reported in the General Fund and certain special revenue funds are offset by a fund balance reserve, which indicates they do not represent "available spendable resources."

Property, Plant and Equipment -- Proprietary Funds

Property, plant and equipment owned by the proprietary funds are stated at historical cost. Maintenance and repairs are charged to operations as incurred, and improvements and betterments that extend the useful lives of fixed assets are capitalized. Interest paid on long-term debt in the enterprise funds is capitalized when it can be attributed to a specific project and when it materially exceeds the interest revenue generated by the bond proceeds issued to fund the project. Depreciation of plant and equipment classified by functional components is provided by the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

Electric Fund and Water and Wastewater Fund:	
Plant	30-50 years
Improvements to grounds	30-50 years
Transmission and distribution system	12-50 years
Other machinery and equipment	7-30 years
Vehicles	7 years
Other Enterprise Funds and Internal Service Funds:	
Buildings and improvements	40 years
Improvements to grounds	15 years
Machinery and equipment	7-12 years
Vehicles	7 years

Depreciation of completed but unclassified fixed assets is provided by the straight-line method, using a composite rate.

The City is accelerating the depreciation of two generating stations that will be retired before the end of their estimated useful life. The increase to Electric Fund 2001 depreciation expense for this accelerated depreciation is \$209,974.

When the City retires or otherwise disposes of proprietary fund fixed assets (other than debt-financed assets of the utility funds), it recognizes a gain or loss on the disposal of the assets.

Federal, State or local grant funds that are restricted to purchasing property, plant, and equipment and contributions in aid of construction are recorded as capital contributions when received. Depreciation on contributed assets is recorded as an expense in the statement of operations; for contributions prior to fiscal year 2001, the depreciation is then transferred to the related contribution accounts. Contributions of funds from the municipality are recorded as equity contributions when received.

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

Intangible Assets – Proprietary Funds

On October 7, 1999, the City and the Lower Colorado River Authority (LCRA) signed a historic fifty-year assured water supply agreement, with an option to extend another fifty years. The \$100 million contract reserves an additional 75,000 acre-feet of water for Austin and allows the City to take water from the Highland Lakes, rather than relying exclusively on available river water. The Water and Wastewater Fund has recorded the water rights as an intangible asset, which is being amortized over 40 years and is reported net of accumulated amortization of \$5 million.

General Fixed Assets

General fixed assets have been acquired for general governmental purposes. Assets purchased or constructed are recorded as expenditures in the governmental funds and capitalized at historical cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded in the General Fixed Assets Account Group at estimated fair market value at the time received.

The City does not capitalize public domain general fixed assets (infrastructure) and, accordingly, no such assets are recorded in the General Fixed Assets Account Group. Infrastructure consists of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and traffic signal systems. Such assets normally are immovable and are of value only to the City. Therefore, the responsibility for stewardship for capital expenditures is satisfied without recording these assets. This accounting treatment will change with the implementation of GASB Statement No. 34 in fiscal year 2002.

No depreciation has been provided on general fixed assets. No interest has been capitalized on general fixed assets.

Long-Term Debt

The debt service for general obligation bonds and other general obligation debt, including loans, issued to fund general government capital projects is paid from tax revenues, interfund transfers, and intergovernmental revenues. Such general obligation debt is recorded in the General Long-Term Debt Account Group.

The debt service for general obligation bonds and other general obligation debt issued to fund proprietary fund capital projects is normally paid from net revenues of the applicable proprietary fund, although such debt will be repaid from tax revenues if necessary. Such general obligation debt is shown as a specific liability of the applicable proprietary fund, which is appropriate under generally accepted accounting principles and in view of the expectation that the proprietary fund will provide resources to service the debt.

Revenue bonds that have been issued to fund capital projects of certain enterprise funds are to be repaid from net revenues of these funds. Such debt is recorded in the funds.

The City defers and amortizes gains or losses that its proprietary funds realize on refundings of debt and reports both the new debt liability and the related deferred amount on the funds' balance sheets. The City recognizes gains or losses on debt defeasance when funds from current operations are used.

Compensated Absences

All full-time employees accumulate vacation benefits in varying annual amounts up to a maximum allowable accumulation of six weeks. All full-time employees earn sick leave benefits at a rate of twelve days per year; these benefits may be accumulated without limit. Upon termination, an employee is reimbursed for all accumulated vacation days. If the terminating employee was employed prior to October 1, 1986 and leaves in good standing, reimbursement is also made for all accrued sick leave up to ninety days. Certain employees are also allowed to accumulate credit for compensatory time in lieu of overtime pay up to 120 hours. Compensated absence liabilities include the components above, as well as employment-related taxes.

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

For governmental funds, the estimated current portion of the compensated absence liability is recorded as an expenditure and liability in the General Fund or special revenue fund, with the non-current portion of the liability recorded in the General Long-Term Debt Account Group. The current portion is estimated based on amounts paid to terminating employees during the most recent fiscal year. Actual vacation, sick and compensatory time benefits paid during the year are recorded as expenditures in the governmental funds.

For proprietary funds, the compensated absences liability is recorded as an expense and related liability in the year earned. The current portion is estimated based on an analysis of the historical use of benefits by the employees.

Risk Management

The City is exposed to employee-related risks for health benefits and workers' compensation, as well as to various risks of loss related to torts, including medical malpractice; theft of, damage to, or destruction of assets; errors and omissions; and natural disasters. The City continues to be self-insured for liabilities for most health benefits, third-party and workers' compensation claims.

The City purchases commercial insurance for coverage for property loss or damage, commercial crime, fidelity bond, and airport operations. In addition, the City purchases a broad range of insurance coverage for contractors working at selected capital improvement project sites. The City does not participate in a risk pool. The City complies with GASB Statement 10, *Accounting and Reporting for Risk Financing and Related Insurance Issues* (see Note 20).

Pension Plans

It is the policy of the City to fund pension costs annually. Pension costs are composed of normal cost and, where applicable, amortization of unfunded actuarial accrued liability and of unfunded prior service cost (see Note 9).

Federal and State Grants, Entitlements and Shared Revenues

Grants, entitlements and shared revenues may be accounted for within any of the seven fund types. The purpose and requirements of each grant, entitlement, or shared revenue are analyzed to determine the proper fund type in which to record the related transactions. Grants, entitlements and shared revenues received for activities normally recorded in a particular fund type may be accounted for in that fund type, provided that applicable legal restrictions can be satisfied.

Revenues received for activities normally recorded in other governmental funds are accounted for within these special revenue fund groups: Federal grant funds, State grant funds, and other special revenue grant funds. Capital grants restricted for capital acquisitions or construction, other than those associated with proprietary type funds, are accounted for in the applicable capital projects funds. Revenues received for operating activities of proprietary funds or revenues that may be used for either operations or capital expenditures at the discretion of the City are recognized in the applicable proprietary fund. Grant money restricted for acquisition or construction of capital assets is recorded as capital contributions in the applicable proprietary fund in fiscal year 2001.

Intergovernmental Revenues, Receivables and Liabilities

Intergovernmental revenues and related receivables arise primarily through funding received from Federal and State grants. These revenues and receivables are earned through expenditure of money for grant purposes. Intergovernmental liabilities arise primarily from funds held in an agency capacity for other local governmental units.

Transactions Between Funds

During the course of normal operations, the City has numerous transactions between funds. Short-term advances between funds are accounted for in the pooled investments and cash accounts. Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions between funds that constitute reimbursements for expenditures or expenses are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from the fund balance of governmental funds. Residual equity transfers to proprietary funds are treated as contributed capital, and such transfers from proprietary funds are reported as reductions of retained earnings or contributed capital as appropriate. All other legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data, (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Reclassifications and Restatements

Certain comparative data for the prior year have been reclassified or restated to present them in a manner consistent with the current year's financial statements. In 2001, the City implemented GASB Statements No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues -- an amendment of GASB Statement No. 33*, resulting in the following restatement of fund balance for the following special revenue funds for fiscal year 2000 (in thousands):

Description	Hotel-Motel Occupancy Tax Fund	Vehicle Rental Tax Fund
Fund balance, September 30, 2000, as previously reported	\$ —	5,954
Prior period adjustment	7,604	1,467
Fund balance, September 30, 2000, restated	\$ 7,604	7,421

In fiscal year 2001, the City identified a liability that should have been recorded in the Airport Fund at September 30, 2000. This liability has been recorded, and the Airport Fund September 30, 2000 retained earnings has been restated, decreasing retained earnings by \$2.5 million, from \$146.4 million to \$143.9 million.

Total Columns on Combined Financial Statements

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. No consolidating or other eliminations of interfund balances or transactions were made in arriving at the totals. Such data are not comparable to a consolidation.

Deferred Items

The City's utility systems are reported in accordance with Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulation*. Certain utility expenses that do not currently require funds are deferred to future periods in which they are intended to be recovered by rates. Likewise, certain credits to income are deferred to periods in which they are matched with related costs. These expenses or credits include changes in fair value of investments in accordance with GASB Statement 31. Deferred expenses will be recovered in these future periods by setting rates sufficient to provide funds for the related debt service requirements. If rates being charged will not recover deferred expenses, the deferred expenses will be subject to write off. Retail deregulation of electric rates in the future may affect the City's current accounting treatment of its electric utility revenues, expenses and deferred amounts.

2 -- SIGNIFICANT ACCOUNTING POLICIES, continued

Statement of Cash Flows

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be currency on hand, cash held by trustee, demand deposits with banks, and all amounts included in pooled investment and cash accounts.

Landfill Closure and Postclosure Care Costs

The City reports municipal solid waste landfill costs in accordance with GASB Statement 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*. The liability for landfill closure and postclosure costs is reported in the Solid Waste Services Fund, an enterprise fund.

3 -- BUDGET BASIS REPORTING

a -- General

The City of Austin prepares its annual operating budget based on cash and available resources (budget basis) that differs from generally accepted accounting principles (GAAP basis). In order to provide a meaningful comparison of actual results with the budget, the Combined Statement of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual-Budget Basis for the General Fund, certain special revenue funds, and debt service funds present the actual and budget amounts in accordance with the City's budget basis.

3 -- BUDGET BASIS REPORTING, continued

b -- Reconciliation of GAAP Basis and Budget Basis Amounts

The primary differences between GAAP and budget reporting for the General Fund are the reporting of encumbrances and the reporting of certain operating transfers. General Fund accrued payroll is recorded at the department level on a GAAP basis and in nondepartmental expenditures on the budget basis. The differences for those special revenue funds that have a legally adopted annual budget are the reporting of unbudgeted revenues, encumbrances and the recording of payroll and compensated absences on a GAAP basis, as opposed to the budget basis. Adjustments necessary to convert the excess of revenues and other sources over expenditures and other uses on a GAAP basis to a budget basis for the General Fund and these special revenue funds are provided, as follows:

	General Fund	Special Revenue Funds (1)
Excess (deficiency) of revenues and other sources over expenditures and other uses - GAAP basis	\$ 4,071,520	(4,894,241)
Adjustment:		
Less: Excess revenues and other sources over expenditures and other uses for nonbudgeted funds - GAAP basis	--	1,346,691
Adjusted excess (deficiency) of revenues and other sources over expenditures and other uses - GAAP basis	4,071,520	(3,547,550)
Other adjustments:		
Increase due to unbudgeted revenues	--	1,988,153
Decrease due to unbudgeted payroll accrual	--	(60,747)
Decrease due to net compensated absences accrual	--	(46,752)
Decrease due to outstanding encumbrances established in 2001	(5,078,795)	(2,537,884)
Increase due to payments against prior year encumbrances	2,858,091	1,526,756
Decrease due to contingency and emergency reserves in 2001	2,906,779	--
Excess (deficiency) of revenues and other sources over expenditures and other uses - budget basis	\$ 4,757,595	(2,678,024)

- (1) The special revenue funds that have legally adopted budgets are Aviation Asset Forfeiture, Balcones Canyonlands Conservation Plan, Child Safety, Disproportionate Share, EMS Travis County Reimbursed, Energy Conservation Rebates and Incentives, Environmental Remediation, Federally Qualified Health Center, Fee Waiver, Health and Human Services Travis County Reimbursed, Hotel-Motel Occupancy Tax, Municipal Court Building Security, Municipal Court Technology, Neighborhood Housing and Conservation, One Texas Center, PARD Cultural Projects, PARD Police Asset Forfeitures, Police Federal Seized Funds, Police Seized Money, Public Improvement District, Strategic Planning Investment, Sustainability, Telecommunity Partnership, Tourism and Promotion, and Vehicle Rental Tax.

The following special revenue funds reported expenditures in excess of appropriations, but did not report a deficit fund balance:

Balcones Canyonlands Conservation Plan	\$ 190,298
Federally Qualified Health Center	1,451,507

Although the debt service fund statements are prepared on a budget basis, no differences exist between GAAP basis and budget basis fund balance for these funds except for the amount of enterprise-related and certain departmental-related debt payments (\$8,710,482) budgeted as operating transfers.

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001 -

CITY OF AUSTIN, TEXAS
(Continued)

3 -- BUDGET BASIS REPORTING, continued

c -- Budget Amendments

The original budget of the General Fund was amended several times during fiscal year 2001. The following table compares original to amended budgets:

	Original Budget	Amendments Increase (Decrease)	Amended Budget
REVENUES			
Taxes	\$ 259,543,305	--	259,543,305
Franchise fees	28,002,200	--	28,002,200
Fines, forfeitures and penalties	16,684,955	--	16,684,955
Licenses, permits and inspections	16,953,748	--	16,953,748
Charges for services/goods	11,324,483	(61,650)	11,262,833
Interest and other	8,479,022	478,880	8,957,902
Total revenues	340,987,713	417,230	341,404,943
EXPENDITURES			
Administration	9,744,905	12,859	9,757,764
Urban growth management	16,194,366	(3,166,250)	13,028,116
Public safety	210,856,890	7,118,743	217,975,633
Public services and utilities	6,165,431	3,946,348	10,111,779
Public health:			
Physician stipend/Charity care	10,495,146	--	10,495,146
Medical Assistance Program-			
hospital contracted services/patient services	6,108,237	--	6,108,237
Other public health	26,101,710	(637,788)	25,463,922
Public recreation and culture	47,897,480	76,350	47,973,830
Social services management	8,517,380	--	8,517,380
Nondepartmental expenditures	16,025,874	(6,548,884)	9,476,990
Total expenditures	358,107,419	801,378	358,908,797
TRANSFERS			
Operating transfers in	89,386,082	3,496,594	92,882,676
Operating transfers out	(82,561,954)	(3,112,446)	(85,674,400)
Total transfers	6,824,128	384,148	7,208,276
Deficiency of revenues and other sources over expenditures and other uses	\$ (10,295,578)	--	(10,295,578)

The amended budget is presented in the accompanying financial statements. The General Fund budget includes other revenues and requirements, which are presented in the nondepartmental category. The amended expenditure budget for these nondepartmental requirements includes the following: tuition reimbursement (\$85,000), accrued payroll (\$1,009,000), expenses for workers' compensation (\$5,810,516) and liability reserve (\$2,500,000), and wage adjustment (\$72,474).

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

3 -- BUDGET BASIS REPORTING, continued

There were budget amendments to the following special revenue funds during fiscal year 2001:

	Original Budget	Increase (Decrease)	Amended Budget
REVENUES			
EMS Travis County Reimbursed	\$ 6,030,912	92,415	6,123,327
Federally Qualified Health Center	8,451,974	1,486,746	9,938,720
Public Improvement District	—	1,396,521	1,396,521
EXPENDITURES			
EMS Travis County Reimbursed	6,030,912	92,415	6,123,327
Federally Qualified Health Center	14,882,349	2,036,802	16,919,151
Health and Human Services Travis County Reimbursed	5,382,536	126,362	5,508,898
Neighborhood Housing and Conservation	2,418,462	(411,000)	2,007,462
Public Improvement District	—	1,446,521	1,446,521
OPERATING TRANSFERS IN			
Federally Qualified Health Center	7,194,444	1,455,574	8,650,018
Neighborhood Housing and Conservation	1,554,051	89,000	1,643,051
Public Improvement District	—	150,000	150,000
OPERATING TRANSFERS OUT			
Federally Qualified Health Center	—	763,252	763,252
Neighborhood Housing and Conservation	362,464	500,000	862,464

4 -- DEFICITS IN FUND BALANCE AND RETAINED EARNINGS

At September 30, 2001, the funds below reported deficits in fund balance or retained earnings. Management intends to recover these deficits through future operating revenues, transfers or debt issues. Of the proprietary funds below, all except the Liability Reserve Fund have positive fund equity.

	Deficit Fund Balance		Deficit Retained Earnings
Special Revenue Funds:		Enterprise Funds:	
Austin Transportation Study	\$ 147,250	Parks and Recreation	\$ 941,043
One Texas Center	555,355		
Voluntary Utility Assistance	59,518	Internal Service Funds:	
Capital Projects Funds:		Employee Benefits	5,027,128
Energy improvements - city facilities	82,006	Liability Reserve	1,086,764
Parks/Old Bakery	490,544	Worker's Compensation	925,266
Police facilities	13,785		
Street resurfacing	54,298		
Police substations	253,964		
Traffic signals	4,397,286		
Build Austin	114,762		
CMTA Mobility	248,274		
Public Works	106,447		
Tanglewood park	64,197		
City Hall, plaza, parking garage	4,961,211		
Conservation Land	4,551		
Colony Park	11,509		

5 -- POOLED INVESTMENTS AND CASH

The following summarizes the amounts of pooled investments and cash by fund type at September 30, 2001:

	Pooled Investments and Cash	
	Unrestricted	Restricted
General Fund	\$ 35,120,932	--
Special Revenue Funds	57,155,129	--
Capital Projects Funds	127,703,177	--
Enterprise Funds:		
Electric	56,571,935	101,127,208
Water and Wastewater	11,904,032	100,508,566
Hospital	35,173,831	--
Solid Waste Services	2,389,996	9,387,949
Airport	5,012,442	84,387,645
Convention Center	17,981,848	96,480,473
Other	4,823,114	27,484,968
Internal Service Funds	53,308,192	1,885,414
Fiduciary Funds	8,112,717	--
Subtotal pooled investments and cash	<u>415,257,345</u>	<u>421,262,223</u>
Total pooled investments and cash	<u>\$ 836,519,568</u>	

6 -- INVESTMENTS AND DEPOSITS

INVESTMENTS

Chapter 2256, Texas Government Code (The Public Funds Investment Act) and the City of Austin Investment Policy authorize the City to invest in the following:

- (1) obligations of the U.S. Treasury or its agencies and instrumentalities;
- (2) direct obligations of the State of Texas;
- (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities;
- (4) obligations of states, agencies, counties, cities, or other political subdivisions of any state rated A or better by a national investment rating firm;
- (5) certificates of deposit that are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or its successor, or secured by obligations described in (1) through (4) above, and having a market value of at least the principal amount of the certificates;
- (6) fully collateralized direct and reverse repurchase agreements. State statutes require that securities underlying repurchase agreements must have a market value of at least 100% of the repurchase agreement's cost. Money received by the City under the terms of a reverse security repurchase agreement may be used to acquire additional authorized securities, but the term of the authorized security acquired must mature not later than the expiration date stated in the reverse security repurchase agreement;
- (7) bankers acceptances accepted by a domestic bank maturing in 270 days or less from the date of its issuance and is rated at least A-1, P-1 by a national investment rating firm;
- (8) commercial paper with a stated maturity of 270 days or less from the date of its issuance and is either (a) rated not less than A-1, P-1 by at least two national investment rating firms, or (b) is rated at least A-1, P-1 by one national investment rating firm and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof;
- (9) SEC-regulated, no load money market mutual funds with a dollar weighted average portfolio maturity of 90 days or less and whose investment objectives include seeking to maintain a stable net asset value of \$1 per share;
- (10) local government investment pools, such as the Texas Local Government Investment Pool, organized in accordance with Chapter 791, Texas Government Code (The Interlocal Cooperation Act), whose assets consist of the obligations described in (1) through (8) above. A public funds investment pool must be continuously rated no lower than AAA, AAA-m or at an equivalent rating by at least one nationally recognized rating service; and

6 -- INVESTMENTS AND DEPOSITS, continued

- (11) share certificates issued by state or federal credit unions domiciled in Texas that are guaranteed or issued by the National Credit Union Share Insurance Fund or its successor, or secured by obligations described under (1) through (4) above having a market value of at least the principal amount of the certificates.

The City follows GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This statement requires that governmental entities should report investments at fair value on the balance sheet, and that all investment income, including changes in the fair value of investments, should be reported as revenue in the operating statement. The change in investment value is reported on the balance sheet in either pooled investments and cash for investment pool participants, or in investments, for those funds which hold their own investments; the revenue is reported on the income statement in interest income.

The City participates in two Texas local government investment pools, TexPool and TexasTERM, which are external investment pools. The State Comptroller of Public Accounts maintains oversight responsibility for TexPool. This responsibility includes the ability to influence operations, designation of management, and accountability for fiscal matters. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The fair value of the City's position in TexPool is the same as the value of the shares the City holds. TexasTERM was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. An advisory board, consisting of participants or their designees, maintains oversight responsibility. TexasTERM provides a fixed-term investment with a maturity of up to one year; therefore, the fair value of the City's position is equivalent to the carrying value.

The City did not participate in any reverse repurchase agreements during fiscal year 2001.

The City's investments (with exceptions noted below) are categorized below to give an indication of the level of risk (Category 1-lowest level of risk to Category 3-highest level of risk) assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City's agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the City's trust department or agent, but not in the City's name.

	Category			Fair Value
	1	2	3	
<u>Investments</u>				
Obligations of the U.S. government and its agencies	\$ 826,532,613	—	—	826,532,613
Commercial paper	14,925,358	—	—	14,925,358
	<u>841,457,971</u>	<u>—</u>	<u>—</u>	<u>841,457,971</u>
<u>Investments held by trustee</u>				
Obligations of the U.S. government and its agencies	72,357,639	—	—	72,357,639
<u>Investments not categorized</u>				
Money market mutual funds				57,950,064
TexPool, Texas Local Government Investment Pool				383,490,260
TexasTERM, Local Government Investment Pool				85,000,000
				<u>526,440,324</u>
Total investments				<u>\$ 1,440,255,934</u>

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

6 -- INVESTMENTS AND DEPOSITS, continued

Investments owned by the various funds of the City at September 30, 2001 are as follows:

Description	Yields	Fair Value	Change in Fair Value
NON-POOLED INVESTMENTS			
Money market mutual funds	3.29% - 3.35%	\$ 724,043	--
Obligations of the U.S. government and its agencies	5.00% - 14.29%	423,533,793	16,686,459
TexPool, Texas Local Government Investment Pool	3.34%	160,418,696	--
TexasTERM, Local Government Investment Pool	4.04%	10,000,000	--
Total non-pooled investments		<u>594,676,532</u>	<u>16,686,459</u>
POOLED INVESTMENTS			
Money market mutual funds	3.14% - 3.35%	57,226,021	--
Obligations of the U.S. government and its agencies	5.29% - 5.78%	475,356,459	4,870,819
Commercial paper	3.46%	14,925,358	--
TexPool, Texas Local Government Investment Pool	3.34%	223,071,564	--
TexasTERM, Local Government Investment Pool	3.59%	75,000,000	--
Total pooled investments		<u>845,579,402</u>	<u>4,870,819</u>
TOTAL ALL INVESTMENTS		<u><u>\$ 1,440,255,934</u></u>	<u><u>21,557,278</u></u>

DEPOSITS

The September 30, 2001, carrying amount of deposits is as follows:

Cash	
Unrestricted	\$ 161,398
Restricted	246
Cash held by trustee	
Unrestricted	292,073
Restricted	5,213,934
Pooled cash	4,390,364
Total deposits	<u><u>\$ 10,058,015</u></u>

All bank balances were either insured or collateralized with securities held by the City or by its agent in the City's name.

7 -- PROPERTY TAXES

The City's property tax is levied each October 1 on the assessed value listed as of January 1 for all real and personal property located in the City. The adjusted assessed value for the roll as of January 1, 2000, upon which the 2001 levy was based, was \$41,419,314,286.

Taxes are due by January 31 following the October 1 levy date. During the year ended September 30, 2001, 98.98% of the current tax levy (October 1, 2000) was collected. The statutory lien date is January 1.

The methods of property assessment and tax collection are determined by Texas statute. The statutes provide for a property tax code, county-wide appraisal districts, a State property tax board, and certain exemptions from taxation, such as intangible personal property, household goods, and family-owned automobiles.

7 – PROPERTY TAXES, continued

The appraisal of property within the City is the responsibility of the Travis Central Appraisal District. The appraisal district is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may require more frequent reviews of appraised values at its own expense. The Travis Central Appraisal District has chosen to review the value of property every two years. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

The City is authorized to set tax rates on property within the City limits. However, if the effective tax rate, excluding tax rates for bonds, certificates of obligation, and other contractual obligations, as adjusted for new improvements and revaluation, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate increase to no more than 8%.

The City is permitted by Article II, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. Under the City Charter, a limit on taxes levied for general governmental services, exclusive of payments of principal and interest on general obligation long-term debt, has been established at \$1.00 per \$100 assessed valuation. A practical limitation on taxes levied for debt service of \$1.50 per \$100 of assessed valuation is established by State Statute and City Charter limitations. Through a contractual arrangement, Travis County bills and collects property taxes for the City.

The tax rate to finance general governmental purposes, other than the payment of principal and interest on general obligation long-term debt, for the year ended September 30, 2001, was \$.3011 per \$100 assessed valuation. The City has a tax margin for general governmental purposes of \$.6989 per \$100 assessed valuation, and could levy approximately \$289,479,588 in additional taxes from the assessed valuation of \$41,419,314,286 before the legislative limit is reached.

8 – FIXED ASSETS

Components of the City's fixed assets at September 30, 2001, are summarized as follows (in thousands of dollars):

	Electric Fund	Water & Wastewater Fund	Hospital Fund	Solid Waste Services Fund	Airport Fund	Convention Center Fund	Other Enterprise Funds	Internal Service Funds	General Fixed Assets	Total
Land and land rights	\$ 34,352	135,154	760	10,462	58,691	26,089	2,760	485	190,379	459,132
Buildings and improvements	561,747	1,323,647	74,017	10,127	639,014	83,775	16,259	3,530	219,095	2,931,211
Machinery and equipment	2,023,592	478,192	4	11,413	16,667	1,744	17,224	18,093	62,458	2,629,387
Completed assets not classified	203,389	158,323	13	20,977	10,271	3,385	15,618	54,161	—	466,137
Total plant in service	2,823,080	2,095,316	74,794	52,979	724,643	114,993	51,861	76,269	471,932	6,485,867
Less accumulated depreciation	(1,131,861)	(592,992)	(33,754)	(22,483)	(126,438)	(24,599)	(12,648)	(26,697)	—	(1,971,472)
Net property, plant and equipment in service	1,691,219	1,502,324	41,040	30,496	598,205	90,394	39,213	49,572	471,932	4,514,395
Construction in progress	193,753	155,017	—	12,722	10,404	109,054	25,206	1,505	262,259	769,920
Nuclear fuel, net of amortization	19,438	—	—	—	—	—	—	—	—	19,438
Plant held for future use	31,379	—	—	—	—	—	—	—	—	31,379
Total property, plant and equipment	\$ 1,935,789	1,657,341	41,040	43,218	608,609	199,448	64,419	51,077	734,191	5,335,132

The following table summarizes the changes in components of the General Fixed Assets Account Group for the year ended September 30, 2001:

	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Construction In Progress	Total
Balance, September 30, 2000	\$ 174,543,252	176,908,215	42,187,232	67,842,125	208,488,755	669,969,579
Additions	—	—	—	—	77,099,502	77,099,502
Retirements	(2,811,509)	—	—	(6,770,497)	(3,253,421)	(12,835,427)
Completed construction	18,647,173	—	—	1,422,794	(20,069,967)	—
Transfers (to) from other funds	—	—	—	(36,866)	(5,301)	(42,167)
Balance, September 30, 2001	\$ 190,378,916	176,908,215	42,187,232	62,457,556	262,259,568	734,191,487

8 -- FIXED ASSETS, continued

The City does not capitalize public domain general fixed assets. This accounting policy affects only the General Fixed Asset Account Group. During 2001, the City did not capitalize completed infrastructure assets amounting to \$33,925,820.

Construction in progress includes various capital projects that are funded primarily by general obligation and revenue bonds. The General Fixed Asset Account Group includes as construction-in-progress certain completed capital projects in service at September 30, 2001, which have not been unitized or capitalized pending classification to the proper fixed asset in-service categories. In all other funds, completed construction unclassified is included in property, plant and equipment.

The City anticipates the need for numerous additional utility-related projects over the next several years. However, the City has no formal commitments to projects other than those currently under construction. Estimated unfunded future expenditures for capital projects will be funded from operations, issuance of additional general obligation or revenue bonds, or from alternative methods of financing.

The City has recorded capitalized interest for fiscal year 2001 in the following funds related to the construction of various capital improvement projects:

Solid Waste Services	\$ 800,393
Airport	1,237,475
Convention Center	3,090,193
Drainage	106,500

9 -- RETIREMENT PLANS

a -- Description

The City participates in funding three contributory, defined benefit retirement plans: City of Austin Employees' Retirement and Pension Fund, City of Austin Police Officers' Retirement and Pension Fund, and Fire Fighters' Relief and Retirement Fund of Austin, Texas. An independent board of trustees administers each plan. These plans are City-wide single employer funded plans that cover substantially all full-time employees. The fiscal year of each pension fund ends December 31. The most recently available financial statements of the pension funds are for the year ended December 31, 2000. Membership in the plans at December 31, 2000 is as follows:

	City Employees	Police Officers	Fire Fighters	Total (Memorandum Only)
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	3,068	259	352	3,679
Current employees	6,894	1,183	921	8,998
Total	9,962	1,442	1,273	12,677

Each plan provides service retirement, death, disability and withdrawal benefits. State law governs benefit and contribution provisions. Amendments may be made by the Legislature of the State of Texas.

Financial reports that include financial statements and supplementary information for each plan are publicly available at the locations shown below.

Plan	Address	Telephone
Employees' Retirement and Pension Fund	418 E. Highland Mall Blvd. Austin, Texas 78752	(512)458-2551
Police Officers' Retirement and Pension Fund	P.O. Box 684808 Austin, Texas 78768-4808	(512)416-7672
Fire Fighters' Relief and Retirement Fund	3301 Northland Drive, Suite 215 Austin, Texas 78731	(512)454-9567

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

9 -- RETIREMENT PLANS, continued

b -- Funding Policy

	City of Austin Employees' Retirement and Pension Fund	City of Austin Police Officers' Retirement and Pension Fund	Fire Fighters' Relief and Retirement Fund
Authority establishing contributions obligation	State Legislation	State Legislation	State Legislation
Frequency of contribution	Biweekly	Biweekly	Biweekly
Employee's contribution (percent of earnings)	8.0%	9.0%	13.70%
City's contribution (percent of earnings)	8.0% (1)	18.0%	18.05%

(1) The City contributes two-thirds of the cost of prior service benefit payments.

While the contribution requirements are not actuarially determined, state law requires that a qualified actuary approve each plan of benefits adopted. The actuary of each plan has certified that the contribution commitment by the participants and the City provide an adequate financing arrangement. Contributions for fiscal year ended September 30, 2001, are as follows (in thousands):

	City Employees	Police Officers	Fire Fighters	Total (Memorandum Only)
City	\$ 24,118	10,738	8,429	43,285
Employees	24,118	5,369	6,398	35,885
Total contributions	\$ 48,236	16,107	14,827	79,170

c-- Annual Pension Cost and Net Pension Obligation

The City's annual pension cost of \$43,285,000 for fiscal year ended September 30, 2001, was equal to the City's required and actual contributions. Three-year trend information is as follows (in thousands):

	City Employees	Police Officers	Fire Fighters	Total (Memorandum Only)
City's Annual Pension Cost (APC):				
1999	\$ 17,513	8,907	7,722	34,142
2000	20,458	9,834	7,984	38,276
2001	24,118	8,429	10,738	43,285
Percentage of APC contributed:				
1999	100%	100%	100%	N/A
2000	100%	100%	100%	N/A
2001	100%	100%	100%	N/A
Net Pension Obligation:				
1999	\$ --	--	--	--
2000	--	--	--	--
2001	--	--	--	--

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS.
(Continued)

9 -- RETIREMENT PLANS, continued

Actuarial valuations of the plans are performed every two years. Actuarial updates are done in each year following the full valuation. The latest actuarial valuations were completed as of December 31, 1999. The actuarial cost method and significant assumptions underlying the actuarial calculations are as follows:

	<u>City Employees</u>	<u>Police Officers</u>	<u>Fire Fighters</u>
Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Basis	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation Rate	4%	4%	5.5%
Projected Annual Salary Increases	4 5% to 14.5%	6.6% average	7%
Post retirement benefit increase	None	None	3.5% effective January 1, 2001 through January 1, 2004 and, 0.5% annually thereafter
Assumed Rate of Return on Investments	8%	8.25%	8%
Amortization method	Level percent of projected pay, open	Level percent of projected pay, open	Level percent of projected pay, open
Remaining Amortization Period	Not applicable	8.5 years	Not applicable

d -- Trend Information (Unaudited)

Information pertaining to the latest actuarial valuations for each Plan is as follows (in thousands):

Valuation Date, December 31st	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (Excess)	Funded Ratio	Annual Covered Payroll	Percentage of Unfunded Actuarial Accrued Liability (Excess) to Covered Payroll
City Employees						
1993	\$ 579,100	541,200	(37,900)	107.0%	235,200	(16.1%)
1995	707,300	623,000	(84,300)	113.5%	221,000	(38.1%)
1997	856,423	832,140	(24,283)	102.9%	219,208	(11.1%)
1999	1,105,100	1,044,500	(60,600)	105.8%	244,500	(24.8%)
Police Officers						
1993	\$ 97,093	106,127	9,034	91.5%	34,550	26.1%
1995	127,572	164,865	37,293	77.4%	36,211	103.0%
1997	168,602	222,703	54,101	75.7%	47,189	114.6%
1999	226,913	257,850	30,937	88.0%	54,695	56.6%
Fire Fighters						
1993	\$ 175,612	193,343	17,731	90.8%	29,018	61.1%
1995	213,403	236,994	23,591	90.0%	32,496	72.6%
1997	268,241	279,472	11,231	96.0%	35,130	32.0%
1999	341,593	317,223	(24,370)	107.7%	38,690	(63.0%)

10 -- SELECTED REVENUES

Effective October 1, 1995, the City entered into a long-term lease arrangement with the Daughters of Charity Health Services of Austin ("Seton") to operate City-owned Brackenridge Hospital. This lease agreement qualifies as an operating lease for accounting purposes. The lease agreement specifies a minimum lease payment, in addition to a supplemental rent payment based on approximately 46% of net disproportionate share revenue proceeds. In fiscal year 2001, the Hospital Fund revenues included minimum lease payments of \$864,764 and additional rent of \$5,385,433. The minimum lease payment includes an amendment approved by the City Council in November 2000 to reduce the amount of rent payment to the City by \$1,000,000 for fiscal year 2001. The reduction was used by Seton to expand facilities and services at Brackenridge Hospital and Children's Hospital of Austin.

The City participates in the Agreement Regarding Disposition of Tobacco Settlement Proceeds filed on July 24, 1998, in the case *The State of Texas v. The American Tobacco Co., et al.* Under the terms of the agreement, a political subdivision may receive a pro rata share of the annual amount of settlement proceeds distributed by the State of Texas. The City received proceeds of approximately \$1.4 million in fiscal year 2001, which was recorded in the Hospital Fund.

The City has entered into certain lease agreements as lessor for concessions at the Airport. These lease agreements qualify as operating leases for accounting purposes. In fiscal year 2001, the Airport Fund revenues included minimum concession guarantees of \$7,925,185.

The following is a schedule by year of minimum future rentals on noncancelable operating leases up to a term of thirty years for the Hospital Fund and twenty years for the Airport Fund as of September 30, 2001. Amounts for the Hospital Fund do not include supplemental rent payments as discussed above.

Fiscal Year Ended September 30	Hospital Fund	Airport Fund
2002	\$ 1,864,764	9,199,981
2003	1,864,764	9,197,428
2004	1,864,764	8,625,182
2005	1,864,764	7,601,680
2006	1,864,764	7,598,557
Thereafter	35,430,516	20,939,151
Totals	<u>\$ 44,754,336</u>	<u>63,161,979</u>

11 -- GENERAL LONG-TERM DEBT

a -- General Obligation Debt -- Capital Projects Funding

Capital projects funds are used to account for the acquisition and construction of general fixed assets. Capital projects are funded primarily by the issuance of general obligation debt, other tax supported debt, interest income and intergovernmental revenues.

General obligation debt is collateralized by the full faith and credit of the City and is reported as an obligation of the General Long-Term Debt Account Group (GLTDAG), except as described below. The City intends to retire its general obligation debt, plus interest, from future ad valorem tax levies, and is required by ordinance to create from such tax revenues a sinking fund sufficient to pay the current interest due thereon and each installment of principal as it becomes due. General obligation debt issued to fund fixed assets of proprietary funds is reported as an obligation of these proprietary funds, although the funds are not obligated by the applicable bond indentures to repay any portion of principal and interest on outstanding general obligation debt. However, the City intends for the proprietary funds to meet the debt service requirements.

As described in Note 7, State Statute and the City Charter establish a practical limitation of \$1.50 per \$100 of assessed valuation on the debt service tax rate levied to service general obligation debt, including interest. The tax rate to finance the payment of principal and interest on general obligation long-term debt for the year ended September 30, 2001, was \$.1652 per \$100 assessed valuation. At September 30, 2001, allowable taxes related to debt service (assuming the rate of \$1.50 per \$100 assessed valuation) are approximately \$621,289,714, providing potential additional taxes for debt service of \$552,865,007 from the assessed valuation of \$41,419,314,286.

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

11 -- GENERAL LONG-TERM DEBT, continued

There are a number of limitations and restrictions contained in the various general obligation bond indentures. The City is in compliance with all limitations and restrictions.

The following table summarizes significant facts about general obligation bonds, certificates of obligation, contractual obligations, tax notes and assumed municipal utility district (MUD) bonds outstanding at September 30, 2001, including those reported in certain proprietary funds:

Series	Date Issued	Original Issue	Amount Outstanding at September 30, 2001	Aggregate Interest Requirements at September 30, 2001	Interest Rates Of Debt Outstanding at September 30, 2001	Maturity Dates Of Serial Debt
Series 1992	October, 1992	\$ 52,490,000	\$ 3,000,000	\$ 217,500 (1)	7.25%	9/1/2002
Series 1992	October, 1992	5,405,000	250,000	14,000 (1)	5 6%	9/1/2002
Series 1993	February, 1993	71,600,000	62,945,000	15,982,533 (1)	5 20 - 5.75%	9/1/2002-2009
Series 1993	October, 1993	25,000,000	18,960,000	6,288,039 (1)	4 20 - 4.75%	9/1/2002-2013
Series 1993	October, 1993	6,435,000	4,880,000	1,618,869 (1)	4 20 - 4.75%	9/1/2002-2013
Series 1993A	October, 1993	70,230,000	52,850,000	10,398,370 (1)	4 25 - 5 00%	9/1/2002-2010
Series 1994	October, 1994	33,260,000	5,500,000	696,000 (1)	5 20 - 6 00%	9/1/2002-2005
Series 1994	October, 1994	3,550,000	475,000	51,065 (1)	5.10 - 5 70%	9/1/2002-2004
Series 1995	October, 1995	30,250,000	2,185,000	596,920 (1)	7.30 - 7.75%	9/1/2002-2005
Series 1995	October, 1995	8,660,000	1,550,000	218,100 (1)	4 75 - 6 00%	9/1/2002-2005
Series 1996	October, 1996	30,550,000	13,625,000	5,899,063 (1)	4 70 - 6 00%	9/1/2002-2011
Series 1996	October, 1996	11,755,000	4,675,000	339,530 (2)	4.70 - 4 80%	11/1/2001-2003
Taxable Series 1997	May, 1997	18,400,000	15,400,000	2,333,400 (1)	6 90 - 6 95%	3/1/2002-2004
Series 1997	October, 1997	29,295,000	28,515,000	17,221,816 (1)	5 00 - 5.75%	9/1/2002-2017
Series 1997	October, 1997	13,975,000	7,570,000	698,850 (2)	4 50%	11/1/2001-2004
Series 1997	October, 1997	2,120,000	1,850,000	908,213 (1)	4.50 - 7.00%	9/1/2002-2017
Series 1998	January, 1998	110,300,000	110,090,000	50,535,613 (1)	3.95 - 5.25%	9/1/2003-2016
Assumed MUD Debt	December, 1997	33,680,000	16,641,011	11,560,668 (3)	4 40 - 10.50%	11/15/2001-2021
Series 1998	October, 1998	13,430,000	13,330,000	7,830,075 (1)	4.40 - 7.13%	9/1/2002-2018
Series 1998	October, 1998	22,770,000	20,800,000	10,151,223 (1)	4.10 - 7.00%	9/1/2002-2018
Series 1998	October, 1998	14,975,000	10,990,000	1,187,522 (2)	3.90 - 4.25%	11/1/2001-2005
Series 1999	October, 1999	51,100,000	50,690,000	37,845,500 (1)	4.13 - 5.75%	9/1/2002-2019
Series 1999	October, 1999	10,335,000	8,455,000	1,240,800 (2)	4.50 - 4.75%	11/1/2001-2006
Series 1999	October, 1999	5,590,000	5,245,000	3,091,538 (1)	5 00 - 6.00%	9/1/2002-2019
Series 2000	October, 2000	52,930,000	51,245,000	40,488,600 (1)	4 35 - 6 00%	9/4/2003-2020
Series 2000	October, 2000	6,060,000	5,890,000	3,605,694 (1)	5 00 - 5.38%	9/1/2002-2020
Series 2001	June, 2001	123,445,000	120,755,000	31,641,531 (1)	4 50 - 5 50%	9/1/2002-2022
Total			<u>\$ 638,361,011</u>			

(1) Interest is paid semiannually on March 1 and September 1.

(2) Interest is paid semiannually on May 1 and November 1.

(3) Interest is paid four times a year on March 1, May 15, September 1, and November 15.

In October 2000, the City issued Public Improvement Bonds, Series 2000, in the amount of \$52,930,000. Of the proceeds from the issue, \$5,745,000 will be used for libraries, \$1,000,000 will be used for asbestos abatement, \$26,345,000 will be used for street improvements, \$6,910,000 will be used for park and recreation facilities, \$10,990,000 will be used for emergency centers, and \$1,940,000 will be used for police forensics. These bonds will be amortized serially on September 1 of each year from 2001 to 2020. Certain of these bonds are callable beginning September 1, 2010. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2001. Total interest requirements for these bonds, at rates ranging from 4.35% to 6.0% are \$43,353,038.

11 -- GENERAL LONG-TERM DEBT, continued

In October 2000, the City issued Certificates of Obligation, Series 2000, in the amount of \$6,060,000. Of the proceeds from the issue, \$2,160,000 will be used for developer reimbursements and \$3,900,000 will be used for land conservation. These certificates of obligation will be amortized serially September 1 of each year from 2001 to 2020. Certain of these obligations are callable beginning September 1, 2010. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2001. Total interest requirements for these obligations, at rates ranging from 5% to 5.38% are \$3,920,300.

In June 2001, the City issued \$123,445,000 in Public Improvement Refunding Bonds, Series 2001, with a weighted average interest rate of 5.17% to advance refund the following:

Series Refunded	Amount	Weighted Average Interest Rate
Public Improvement Refunding Bonds, Series 1990A	\$17,380,000	6.91%
Public Improvement Refunding Bonds, Series 1991A	880,000	5.88%
Public Improvement Refunding Bonds, Series 1992	3,000,000	7.25%
Certificates of Obligation, Series 1992	275,000	5.75%
Public Improvement Refunding Bonds, Series 1992	58,315,000	6.09%
Public Improvement Refunding Bonds, Series 1994	3,500,000	5.57%
Certificates of Obligation, Series 1994	800,000	5.56%
Public Improvement Refunding Bonds, Series 1995	19,755,000	5.26%
Certificates of Obligation, Series 1995	4,420,000	5.25%
Austin Municipal Utility District No. 2 Unlimited Tax Bonds, Series 1991	1,635,000	8.15%
Circle C Municipal Utility District No. 3 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 1996	760,000	5.38%
Circle C Municipal Utility District No. 4 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 1994	1,950,000	5.64%
Maple Run at Austin Municipal Utility District Unlimited Tax and Revenue Bonds, Series 1986	1,850,000	8.72%
North Central Austin Growth Corridor Municipal Utility District No. 1 Waterworks Combination Unlimited Tax and Revenue Bonds, Series 1986	520,000	6.38%
North Central Austin Growth Corridor Municipal Utility District No. 1 Waterworks and System Combination Unlimited Tax and Revenue Bonds, Series 1987	250,000	6.50%
South Austin Growth Corridor Municipal Utility District No. 1 Unlimited Tax and Revenue Bonds, Series 1987	250,000	6.00%
Southland Oaks Municipal Utility District Unlimited Tax and Revenue Bonds, Series 1995	2,840,000	6.10%
Southland Oaks Municipal Utility District Unlimited Tax and Revenue Bonds, Series 1996	1,470,000	5.96%
Village at Western Oaks Municipal Utility District Unlimited Tax and Revenue Bonds, Series 1995	1,815,000	6.00%
Village at Western Oaks Municipal Utility District Unlimited Tax and Revenue Bonds, Series 1996	1,580,000	5.88%
Travis County Water Control and Improvement District No.12 Waterworks and Sewer System Tax and Revenue Refunding Bonds, Series 1965	45,000	5.00%
Travis County Water Control and Improvement District No.14 Waterworks and Sewer System Tax and Revenue Refunding Bonds, Series 1963	70,000	5.00%
Travis County Water Control and Improvement District No. 9 Refunding Bonds, Series 1962	58,000	5.00%

The net proceeds of \$128,476,463 (after issuer contribution of \$105,332 and after payment of \$303,373 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be legally defeased and the liability for the refunded bonds has been removed from the financial statements.

The City advance refunded these bonds to reduce total debt service payments in the current period and in future years by approximately \$7.1 million and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$6.3 million.

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

11 -- GENERAL LONG-TERM DEBT, continued

The following is a summary of general obligation bonds, certificates of obligation, contractual obligation and tax note transactions of the City (including those of certain enterprise funds) for the year ended September 30, 2001 (in thousands of dollars), excluding assumed tax and revenue bond principal of \$13,705,390 and Water and Wastewater note of \$120,000 and premiums/discounts of (\$28,924).

	General Obligation Bonds and Other Tax Supported Debt	
	General Long-Term Debt Account Group	Proprietary Funds
Balance payable--September 30, 2000	\$ 550,039	56,124
Refunding activity:		
Refunding debt issued	106,234	17,211
Outstanding debt defeased by refunding	(108,515)	(5,093)
Balance payable subsequent to refunding	547,758	68,242
Debt issued:		
Parks and recreation	6,910	--
Street improvements	26,345	--
Libraries	5,745	--
Health Department safety and welfare renovations	1,000	--
Public safety	12,930	--
Developer reimburseables	2,160	--
Land conservation	3,900	--
Debt issued during the year	58,990	--
Debt retired during the year	(44,070)	(6,264)
Balance payable--September 30, 2001	\$ 562,678	61,978

General obligation bonds authorized and unissued amount to \$435,155,000 at September 30, 2001. Bond ratings at September 30, 2001, were Aa2 (Moody's Investor Services, Inc.), AA+ (Standard & Poor's) and AA+ (Fitch).

b -- Other Long-Term Debt

In addition to general obligation bonds, certificates of obligation, contractual obligations, and tax notes, the General Long-Term Debt Account Group includes all liabilities of the City (other than those reported in the proprietary funds) which are not due in the current period. Obligations include the following:

Description	Balance September 30, 2000	Increase (Decrease)	Balance September 30, 2001
Accrued compensated absences	\$ 47,885,622	1,526,675	49,412,297
Advances from other funds	4,318,000	--	4,318,000
Loans payable:			
HUD Section 108 loan (1)	7,305,000	(285,000)	7,020,000
Municipal Energy Conservation loan (2)	1,905,660	(517,534)	1,388,126
Long-term loan	--	2,800,000	2,800,000
Other liabilities:			
Arbitrage payable	--	2,601,957	2,601,957
Grant liability	--	500,000	500,000
Other	--	1,272,149	1,272,149
	\$ 61,414,282	7,898,247	69,312,529

(1) Interest payable in the amount of \$3,837,734 at September 30, 2001.

(2) Interest payable in the amount of \$85,242 at September 30, 2001.

12 – ENTERPRISE FUNDS -- REVENUE BONDS AND OTHER LONG-TERM DEBT

a – Combined Utility Systems Debt -- General

The City's Electric Fund and Water and Wastewater Fund comprise the "Combined Utility Systems," which issue Combined Utility Systems revenue bonds to fund Electric Fund and Water and Wastewater Fund capital projects. Principal and interest on these bonds are payable solely from the combined net revenues of the Electric Fund and Water and Wastewater Fund. The following table summarizes Combined Utility Systems revenue bonds and other long-term financing transactions for the year ended September 30, 2001 (in thousands of dollars):

Description (Net of discount and inclusive of premium)	Prior Lien Bonds	Subordinate Lien Bonds	Total
Balance payable, October 1, 2000	\$ 1,950,526	323,587	2,274,113
Debt repaid, defeased, or refunded	(64,592)	(36,765)	(101,357)
Amortization of bond discount and premium	1,681	(272)	1,409
Balance payable, September 30, 2001	<u>\$ 1,887,615</u>	<u>286,550</u>	<u>2,174,165</u>

The total Combined Utility Systems revenue bond obligations at September 30, 2001, exclusive of discounts and premiums, consist of \$1,902,370,731 prior lien bonds and \$280,854,512 subordinate lien bonds. Aggregate interest requirements for all prior liens and subordinate lien bonds are \$1,515,477,155 at September 30, 2001. Revenue bonds authorized and unissued amount to \$1,492,642,660 at that date. Bond ratings at September 30, 2001 for the prior lien and subordinate lien bonds were, respectively, A2 and A2 (Moody's Investor Services, Inc.), A and A- (Standard & Poor's), and A+ and A+ (Fitch).

b – Combined Utility Systems Debt -- Revenue Bond Indenture Requirements

The City is required by bond indentures to pledge the net revenues of the Combined Utility Systems for debt service, and is required to maintain debt service funds and bond reserve funds for all outstanding revenue bonds. The debt service funds, with assets of \$308,946,379 including accrued interest at September 30, 2001, are restricted within the utility systems and require that the net revenues of the systems, after operating and maintenance expenses are deducted, be irrevocably pledged by providing equal monthly installments that will accumulate to the semiannual principal and interest requirements as they become due.

The bond reserve fund for revenue bond retirement, with assets of \$170,699,819 of investments at fair value at September 30, 2001, is also restricted within the utility systems. The City is required to maintain a combined reserve fund for the benefit of the holders of prior lien bonds and subordinate lien bonds, which must contain cash and investments of not less than \$85,000,000 and which shall be increased upon the issuance of any additional bonds to the greater of such amount or the average annual principal and interest requirements on all prior lien bonds and subordinate lien bonds. Additional amounts required to be deposited in the reserve fund must be funded from bond proceeds or accumulated in the reserve fund in equal monthly installments within 60 months from the date of delivery of the additional bonds.

The City also covenants under the bond indentures that the custodian of the reserve fund shall be an official City depository and investment of the reserve fund shall be in direct or guaranteed obligations of the United States of America (USA), including obligations guaranteed by the USA, and certificates of deposit of any bank or trust company, the deposits of which are fully secured by a pledge or obligation of the USA or guaranteed by the USA. The revenue bond indentures also provide for a number of other limitations and restrictions. The City is in compliance with all significant limitations and restrictions contained in the revenue bond indentures.

c – Combined Utility Systems Debt -- Revenue Bond Refunding Issues

The Combined Utility Systems have refunded various issues of revenue bonds, notes, and certificates of obligation through refunding revenue bonds. Principal and interest on these refunding bonds are payable solely from the combined net revenues of the City's Electric Fund and Water and Wastewater Fund.

The prior lien bonds are subordinate only to the prior lien revenue bonds outstanding at the time of issuance, while the subordinate lien bonds are subordinate to prior lien revenue bonds and to subordinate lien revenue bonds outstanding at the time of issuance.

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

12 -- ENTERPRISE FUNDS -- REVENUE BONDS AND OTHER LONG-TERM DEBT, continued

Some of these bonds are callable prior to maturity at the option of the City. The term bonds are subject to a mandatory redemption prior to the maturity dates as defined in the respective official statements.

The net proceeds of each of the refunding bond issuances were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service. As a result, the refunded bonds are considered to be legally defeased and the liability for the refunded bonds has been removed from the financial statements. The accounting gains and losses due to the advance refunding of debt have been deferred and are being amortized over the life of the refunding bonds by the straight-line method. However, a gain or loss on refunded bonds is recognized when funds from current operations are used.

d -- Combined Utility Systems Debt -- Bonds Issued and Outstanding

The following schedule shows all original and refunding revenue bonds outstanding at September 30, 2001 (in thousands of dollars):

Series	Bonds Dated	Original Amount Issued	Outstanding at September 30, 2001
1982 Refunding	March 1982	\$ 598,000	\$ 19,315
1986 Refunding	March 1986	545,145	34,490
1987	May 1987	65,000	1,720
1989	July 1989	65,800	2,670
1990	August 1990	6,395	4,055
1990AB Refunding	February 1990	236,009	33,962
1991A Refunding	June 1991	57,080	32,310
1992 Refunding	March 1992	265,806	232,966
1992A Refunding	May 1992	351,706	310,471
1993 Refunding	February 1993	203,166	168,911
1993A Refunding	June 1993	263,410	189,341
1994	May 1994	3,500	2,790
1994 Refunding	October 1994	142,559	107,159
1995 Refunding	June 1995	151,770	46,670
1996AB Refunding	September 1996	249,235	247,265
1997 Refunding	August 1997	227,215	218,210
1998 Refunding	August 1998	180,000	177,160
1998A Refunding	August 1998	123,020	99,065
1998 Refunding	November 1998	245,315	245,080
1998	November 1998	10,000	9,615
			<u>\$ 2,183,225</u>

e -- Combined Utility Systems Debt -- Commercial Paper Notes

The City is authorized by ordinance to issue commercial paper notes in an aggregate principal amount not to exceed \$350,000,000 outstanding at any one time. Proceeds from the notes are used to provide interim financing for capital project costs for additions, improvements, and extensions to the City's electric system and the City's water and wastewater system and to refinance, renew, or refund maturing notes and other obligations of the systems. Note ratings at September 30, 2001 were P1 (Moody's Investor Services, Inc.), A1 (Standard & Poor's), and F1 (Fitch).

The notes will be in denominations of \$100,000 or more and mature not more than 270 days from the date of issuance. Principal and interest on the notes are payable from the combined net revenues of the City's Electric Fund and Water and Wastewater Fund.

12 – ENTERPRISE FUNDS – REVENUE BONDS AND OTHER LONG-TERM DEBT, continued

At September 30, 2001, the Electric Fund had outstanding commercial paper notes of \$77,084,000 and the Water and Wastewater Fund had \$78,226,000, of commercial paper notes outstanding. Interest rates on the notes range from 2.20% to 3.20%, and subsequent issues cannot exceed the maximum rate of 15%. The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt.

f – Combined Utility Systems Debt – Taxable Commercial Paper Notes

The City is authorized by ordinance to issue taxable commercial paper notes, (the "taxable notes"), in an aggregate principal amount not to exceed \$160,000,000 outstanding at any one time. Proceeds from the taxable notes are used to provide interim financing for capital project costs for additions, improvements, and extensions to the City's electric system and the City's water and wastewater system and to refinance, renew, or refund maturing notes and other obligations of the systems. Note ratings at September 30, 2001 were P1 (Moody's Investor Services, Inc.), A1+ (Standard & Poor's), and F1+ (Fitch).

The taxable notes will be in denominations of \$100,000 or more and mature not more than 270 days from the date of issuance. Principal and interest on the taxable notes are payable from the combined net revenues of the City's Electric Fund and Water and Wastewater Fund.

At September 30, 2001, the Electric Fund had outstanding taxable notes of \$73,158,720 (net of discount of \$460,280), and the Water and Wastewater Fund had no taxable notes outstanding. Interest rates on the taxable notes range from 3.65% to 3.69%. The City intends to refinance maturing commercial paper notes by issuing long-term debt.

g – Electric System Revenue Debt – General

The City is authorized by ordinance to issue electric system revenue obligations. Proceeds from these obligations are used only to fund electric capital projects or to refund debt issued to fund these capital projects. Principal and interest on these obligations are payable solely from the net revenues of the Electric Fund. The following table summarizes the electric system revenue bonds for the year ended September 30, 2001 (in thousands of dollars):

Description (Net of discount and inclusive of premium on refunding)	Separate Lien Bonds
Balance payable, October 1, 2000	\$ —
Debt issued	126,944
Amortization of bond discount and premium	4
Balance payable, September 30, 2001	<u>\$ 126,948</u>

h – Electric System Revenue Debt – Revenue Bond Indenture Requirements

From July 18, 2000 forward, all revenue obligations, other than commercial paper obligations, to finance capital improvements for the electric system shall be payable from and secured only by a lien on and pledge of the net revenues of the electric system. Electric system revenue debt is subject to the prior claim on and lien on the net revenues of the electric system for the payment of the Combined Utility System Debt (see note 12-a).

i – Electric System Revenue Debt – Revenue Bond Refunding Issues

The City was authorized by ordinance to issue Electric Utility System Revenue Refunding Bonds, in an aggregate principal amount of \$126,700,000. Proceeds from the bond refunding were used to convert \$125,000,000 of outstanding Combined Utility System Commercial Paper Notes, Series A, to long-term debt of the electric utility system. The refunding resulted in future debt service requirements of \$136,721,574. No economic gain or loss was recognized on this transaction. Bond ratings at September 30, 2001 were A3 (Moody's Investor Services, Inc.), A- (Standard & Poor's), and A (Fitch).

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

12 -- ENTERPRISE FUNDS -- REVENUE BONDS AND OTHER LONG-TERM DEBT, continued

J -- Electric System Revenue Debt -- Bonds Issued and Outstanding

The following table summarizes all electric system original and refunding revenue bonds outstanding at September 30, 2001 (in thousands of dollars):

Series	Bonds Dated	Original Amount Issued	Outstanding at September 30, 2001
2001 Refunding	February 2001	\$126,700	\$126,700

k -- Water and Wastewater System Revenue Debt -- General

The City is authorized by ordinance to issue water and wastewater system revenue obligations. Proceeds from these obligations are used only to fund water and wastewater capital projects or to refund debt issued to fund these capital projects. Principal and interest on these obligations are payable solely from the net revenues of the Water and Wastewater Fund. The following table summarizes the water and wastewater system revenue bonds for the year ended September 30, 2001 (in thousands of dollars):

Description (Net of discount and inclusive of premium on refunding)	Separate Lien Bonds
Balance payable, October 1, 2000	\$ 100,015
Debt issued	225,809
Amortization of bond discount and premium	5
Balance payable, September 30, 2001	<u>\$ 325,829</u>

l -- Water and Wastewater System Revenue Debt -- Revenue Bond Indenture Requirements

From July 18, 2000 forward, all revenue obligations, other than commercial paper obligations, to finance capital improvements for the water and wastewater system shall be payable from and secured only by a lien on and pledge of the net revenues of the water and wastewater system. Water and wastewater system revenue debt is subject to the prior claim on and lien on the net revenues of the water and wastewater system for the payment of the Combined Utility System Debt (see note 12-a).

m -- Water and Wastewater System Revenue Debt -- Revenue Bond Refunding Issues and Defeasance

The City was authorized by ordinance to issue \$152,180,000 of Water and Wastewater System Revenue Bonds, Series 2001A and \$73,200,000 of Water and Wastewater System Revenue Refunding Bonds, Series 2001B. Proceeds from the Series 2001A bonds were used to refund \$150,000,000 of Commercial Paper Notes, Series A, and \$2,625,000 of Circle C Municipal Utility District No. 4 Contract Revenue Bonds, Series 1990. The Series 2001B bonds were used to refund \$57,650,000 of tax-exempt Commercial Paper Notes, Series A and \$15,012,552 of taxable Commercial Paper Notes. The debt service requirements on the refunding bonds were \$237,942,341. No economic gain or loss was recognized on these transactions. An accounting loss of \$436,094, which will be deferred and amortized in accordance with Statement of Financial Accounting Standards No. 71, was recognized on the refunding. Bond ratings at September 30, 2001 were A2 (Moody's Investor Services, Inc.), A- (Standard & Poor's), and A+ (Fitch).

On May 1, 2001, the City defeased \$9,235,000 in Circle C Municipal Utility District No. 3 Contract Revenue Bonds, Series 1996. The Water and Wastewater Fund placed \$9,651,944 in an irrevocable escrow account that was used to purchase U.S. Government obligations to provide for all future debt service payments on defeased bonds. The bonds are considered to be legally defeased and the liability has been removed from these financial statements. There was no economic gain or loss recognized on this transaction; an accounting loss on the defeasance of \$141,818 was recognized.

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

12 – ENTERPRISE FUNDS – REVENUE BONDS AND OTHER LONG-TERM DEBT, continued

n – Water and Wastewater System Revenue Debt – Bonds Issued and Outstanding

The following table summarizes all water and wastewater system original and refunding revenue bonds outstanding at September 30, 2001 (in thousands of dollars):

Series	Bonds Dated	Original Amount Issued	Outstanding at September 30, 2001
2000 Refunding	June 2000	\$100,000	\$ 100,000
2001A Refunding	June 2001	152,180	152,180
2001B Refunding	June 2001	73,200	73,200
			<u>\$ 325,380</u>

o – Water and Wastewater Fund – Refunds Payable on Construction Contracts

Refunds payable on construction contracts of approximately \$279,041 at September 30, 2001, excluding accrued interest, represent contractual obligations of the Water and Wastewater Fund to refund a percentage of certain construction costs incurred by developers. The contracts vary as to terms and conditions.

p – Airport – General

The City's Airport Fund issues Airport System revenue bonds to fund Airport Fund capital projects. Principal and interest on these bonds are payable solely from the net revenues of the Airport Fund. The following table summarizes Airport System revenue bonds for the year ended September 30, 2001 (in thousands of dollars):

Description (Net of discount and loss on refunding)	Prior Lien Bonds
Balance payable, October 1, 2000	\$ 364,477
Amortization of bond discount and loss on refunding	560
Balance payable, September 30, 2001	<u>\$ 365,037</u>

The total Airport System obligation for prior lien bonds is \$374,245,000, exclusive of discount and loss on refunding, at September 30, 2001. Aggregate interest requirements for all prior lien bonds are \$359,378,396 at September 30, 2001. Revenue bonds authorized and unissued amount to \$735,795,000 at that date.

q – Airport – Revenue Bond Indenture Requirements

The City is required by bond indentures to pledge the net revenues of the Airport System for debt service, and is required to maintain a debt service fund and bond reserve fund for all outstanding revenue bonds. The debt service fund, with assets of \$11,390,843 including accrued interest at September 30, 2001, is restricted within the Airport System and requires that the net revenues of the airport, after operating and maintenance expenses are deducted, be irrevocably pledged by providing equal monthly installments that will accumulate to the semiannual principal and interest requirements as they become due.

The City is also required to maintain a reserve fund for the benefit of the holders of prior lien bonds, which must contain cash and investments equal to the arithmetic average of the debt service requirements scheduled to occur in the then current and future fiscal years for all prior lien bonds then outstanding. The bond ordinance allows for the use of a debt service reserve fund surety bond in lieu of the cash deposit. The City holds a surety bond with a total benefit available of \$30,429,177. The City is in compliance with all significant limitations and restrictions contained in the revenue bond indentures available in the event a draw is necessary.

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

12 -- ENTERPRISE FUNDS -- REVENUE BONDS AND OTHER LONG-TERM DEBT, continued

r -- Airport Debt -- Bonds Issued and Outstanding

The following schedule shows all original and refunding revenue bonds outstanding at September 30, 2001 (in thousands of dollars):

Series	Bonds Dated	Original Amount Issued	Outstanding at September 30, 2001
1989	September 1989	\$ 30,000	\$ 1,000
1995A	August 1995	362,205	342,205
1995B Refunding	August 1995	31,040	31,040
			<u>\$ 374,245</u>

s -- Airport Debt -- Variable Rate Revenue Notes

The City is authorized to issue Airport System variable rate revenue notes, pursuant to Ordinance No. 950817B, as amended and restated by Ordinance 980205A adopted by the City Council on February 5, 1998. At September 30, 2001, the Airport System had outstanding variable rate revenue notes of \$28,000,000. The debt service fund required by the bond ordinance held assets of \$392,997 including accrued interest at September 30, 2001 and was restricted within the Airport System. During fiscal year 2001, interest rates on the notes ranged from 1.95% to 5.50%, adjusted weekly, and subsequent rate changes cannot exceed the maximum rate of 15%. Principal and interest on the notes are payable from the net revenues of the Airport System.

t -- Convention Center -- General

The City's Convention Center Fund issues Convention Center revenue bonds and Hotel Occupancy Tax revenue bonds to fund Convention Center Fund capital projects. Principal and interest on these bonds are payable solely from pledged hotel occupancy tax revenues and the special motor vehicle rental tax revenues. The following table summarizes the Convention Center Fund revenue bonds for the year ended September 30, 2001 (in thousands of dollars):

Description (Net of discount, premium and loss on refunding)	Prior Lien Bonds	Subordinate Lien Bonds	Total
Balance payable, October 1, 2000	\$ 131,787	109,717	241,504
Debt repaid	(2,945)	—	(2,945)
Amortization of bond discounts, premiums, and loss on refunding	632	(15)	617
Balance payable, September 30, 2001	<u>\$ 129,474</u>	<u>109,702</u>	<u>239,176</u>

The total Convention Center obligation for prior and subordinate lien bonds is \$247,940,000, exclusive of discounts, premiums and loss on refunding, at September 30, 2001. Aggregate interest requirements for all prior and subordinate lien bonds are \$229,850,575 at September 30, 2001. Revenue bonds authorized and unissued amount to \$760,000 at September 30, 2001.

12 – ENTERPRISE FUNDS – REVENUE BONDS AND OTHER LONG-TERM DEBT, continued

u -- Convention Center -- Revenue Bond Issues and Indenture Requirements

The City is required by bond indentures to pledge the hotel occupancy tax revenue for debt service, and is required to maintain a debt service fund and either a bond reserve fund or a debt service reserve fund surety bond. The debt service fund, with assets of \$5,341,486 at September 30, 2001, is restricted within the Convention Center and requires that the pledged hotel occupancy revenues of the Convention Center be irrevocably pledged by providing quarterly installments that will accumulate to the semiannual principal and interest requirements as they become due. The debt service reserve fund, with assets of \$6,914,551 at September 30, 2001, is required to maintain cash and investments that must equal the lesser of 10% of the principal amount or the maximum annual debt service requirement scheduled to occur in the current and each future fiscal year for all bonds outstanding. All other debt service requirements have been satisfied with the purchase of surety bonds. The City is in compliance with all significant limitations contained in the revenue bond indentures.

In November 1999, the City issued the Town Lake Community Events Center Venue Project Bonds, Series 1999, in the amount of \$40,000,000. The Series was issued to construct the Town Lake Community Events Center and a parking facility. The debt is secured and payable from the levy of the Special Motor Vehicle Rental Tax, a 5% tax on the gross rental receipts on the short-term motor vehicle rentals within the City. The City established a debt service fund, with assets of \$606,656 at September 30, 2001 to service principal and interest payments. The City maintains as a reserve requirement, a surety bond issued at the date of delivery of the bonds.

v -- Convention Center Debt -- Bonds Issued and Outstanding

The following schedule shows all original and refunding revenue bonds outstanding at September 30, 2001 (thousands of dollars):

Series	Bonds Dated	Original Amount Issued	Outstanding at September 30, 2001
1993A	December 1993	\$ 75,955	\$ 67,940
1999 Refunding	June 1999	6,445	5,000
1999A	June 1999	25,000	25,000
1999	September 1999	110,000	110,000
1999	November 1999	40,000	40,000
			<u>\$ 247,940</u>

13 – CONDUIT DEBT

To provide for low cost housing and for acquisition and construction of industrial and commercial facilities, the City has issued several series of housing and industrial development revenue bonds. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Prior to September 30, 1997 the City issued several series of bonds; the aggregate principal amount payable of these bonds could not be determined; however, their original issue amounts totaled \$310.2 million. Since 1997, the City has issued various series of bonds, with the original issues totaling \$47 million, and \$46.5 million outstanding at September 30, 2001.

To provide for facilities located at the airport and convention center, the City has issued various facility revenue bonds. These bonds are special limited obligations of the City, payable solely from and secured by a pledge of revenue to be received from agreements between the City and various third parties. The original issues totaled \$366 million, with \$364.3 million outstanding at September 30, 2001.

The above bonds do not constitute a debt or pledge of the faith and credit of the City and accordingly have not been reported in the accompanying financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

September 30, 2001

CITY OF AUSTIN, TEXAS

(Continued)

14 -- DEBT SERVICE REQUIREMENTS

The following is a schedule of General Obligation Bonds and Other Tax Supported Debt requirements for the General Long-Term Debt Account Group (in thousands):

Fiscal Year Ended September 30	General Obligation Bonds (1)			Public Property Finance Contractual Obligations			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 39,309	28,210	67,519	7,160	1,320	8,480	2,230	2,045	4,275
2003	37,734	26,258	63,992	7,680	994	8,674	2,095	1,913	4,008
2004	39,634	24,356	63,990	7,225	650	7,875	2,220	1,788	4,008
2005	41,852	21,958	63,810	5,550	350	5,900	2,165	1,661	3,826
2006	42,700	19,863	62,563	3,205	132	3,337	1,835	1,562	3,397
Thereafter	335,397	106,749	442,146	870	21	891	30,395	10,689	41,084
	<u>536,626</u>	<u>227,394</u>	<u>764,020</u>	<u>31,690</u>	<u>3,467</u>	<u>35,157</u>	<u>40,940</u>	<u>19,658</u>	<u>60,598</u>

Fiscal Year Ended September 30	Tax Notes			Total		
	Principal	Interest	Total	Principal	Interest	Total
2002	1,500	1,017	2,517	50,199	32,592	82,791
2003	1,900	900	2,800	49,409	30,065	79,474
2004	12,000	416	12,416	61,079	27,210	88,289
2005	--	--	--	49,567	23,969	73,536
2006	--	--	--	47,740	21,557	69,297
Thereafter	--	--	--	366,662	117,459	484,121
	<u>15,400</u>	<u>2,333</u>	<u>17,733</u>	<u>624,656</u>	<u>252,852</u>	<u>877,508</u>

Less: Amounts reported in Enterprise Funds	(55,926)	(17,902)	(73,828)
Amounts reported in Internal Service Funds	(6,052)	(1,467)	(7,519)
Total requirements reported in other funds, exclusive of discounts, loss on refundings and premiums	(61,978)	(19,369)	(81,347)
General Long-Term Debt Account Group requirements at September 30, 2001	<u>\$ 562,678</u>	<u>233,483</u>	<u>796,161</u>

(1) General Obligation Bonds exclude Tax Supported Debt of \$69,312,529 (see Note 11-b).

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

14 -- DEBT SERVICE REQUIREMENTS, continued

The following summarizes the proprietary funds debt service obligations at September 30, 2001 (in thousands):

Fiscal Year Ended September 30	Commercial Paper Notes (1)			Revenue Notes (2)		
	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 228,929	1,306	230,235	—	1,680	1,680
2003	—	—	—	—	1,680	1,680
2004	—	—	—	—	1,680	1,680
2005	—	—	—	—	1,680	1,680
2006	—	—	—	—	1,680	1,680
Thereafter	—	—	—	28,000	19,320	47,320
	<u>228,929</u>	<u>1,306</u>	<u>230,235</u>	<u>28,000</u>	<u>27,720</u>	<u>55,720</u>
Less: Unamortized bond discount	(460)	—	(460)			
Unamortized loss on bond refundings	—	—	—			
Add: Unamortized bond premium	—	—	—			
Net debt service requirements	<u>228,469</u>	<u>1,306</u>	<u>229,775</u>			

Fiscal Year Ended September 30	General Obligation Bonds and Other Tax Supported Debt (3)			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2002	9,178	4,464	13,642	105,219	193,419	298,638
2003	8,752	4,059	12,811	90,525	182,901	273,426
2004	8,294	3,663	11,957	137,236	167,619	304,855
2005	7,770	3,109	10,879	157,092	154,516	311,608
2006	4,969	2,775	7,744	166,619	145,083	311,702
Thereafter	36,842	11,107	47,949	2,600,797	1,746,249	4,347,046
	<u>75,805</u>	<u>29,177</u>	<u>104,982</u>	<u>3,257,488</u>	<u>2,589,787</u>	<u>5,847,275</u>
Less: Unamortized bond discount	(224)	—	(224)	(54,318)	—	(54,318)
Unamortized loss on bond refundings	(843)	—	(843)	(8,113)	—	(8,113)
Add: Unamortized bond premium	1,094	—	1,094	36,099	—	36,099
Net debt service requirements	<u>\$ 75,832</u>	<u>29,177</u>	<u>105,009</u>	<u>3,231,156</u>	<u>2,589,787</u>	<u>5,820,943</u>

(continued)

- (1) The City intends to refinance maturing commercial paper notes by issuing additional commercial paper notes or by issuing long-term debt.
- (2) These are variable rate notes with 6% interest
- (3) Includes assumed tax and revenue bond principal of \$13,705,390 and interest of \$9,808,616 and \$120,000 of Water and Wastewater notes payable.

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

14 -- DEBT SERVICE REQUIREMENTS, continued

Fiscal Year Ended September 30	Water Improvement District Bonds			Municipal Utility District Contract Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 250	13	263	6,605	4,563	11,168
2003	--	--	--	7,405	4,140	11,545
2004	--	--	--	8,045	3,664	11,709
2005	--	--	--	8,770	3,140	11,910
2006	--	--	--	9,385	2,573	11,958
Thereafter	--	--	--	36,515	4,419	40,934
	<u>250</u>	<u>13</u>	<u>263</u>	<u>76,725</u>	<u>22,499</u>	<u>99,224</u>
Less: Unamortized bond discount				(262)	--	(262)
Unamortized loss on bond refundings				--	--	--
Add: Unamortized bond premium				--	--	--
Net debt service requirements				<u>76,463</u>	<u>22,499</u>	<u>98,962</u>

Fiscal Year Ended September 30	Total Debt Service Requirements		
	Principal	Interest	Total
2002	350,181	205,445	555,626
2003	106,682	192,780	299,462
2004	153,575	176,626	330,201
2005	173,632	162,445	336,077
2006	180,973	152,111	333,084
Thereafter	2,702,154	1,781,095	4,483,249
	<u>3,667,197</u>	<u>2,670,502</u>	<u>6,337,699</u>
Less: Unamortized bond discount	(55,264)	--	(55,264)
Unamortized loss on bond refundings	(8,956)	--	(8,956)
Add: Unamortized bond premium	37,193	--	37,193
Net debt service requirements	<u>\$ 3,640,170</u>	<u>2,670,502</u>	<u>6,310,672</u>

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

14 -- DEBT SERVICE REQUIREMENTS, continued

The following summarizes the proprietary funds debt service requirements at September 30, 2001 by fund (in thousands):

Fiscal Year Ended September 30	Electric (1)			Water and Wastewater (2)		
	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 231,489	96,681	328,170	108,336	68,887	177,223
2003	67,543	90,030	157,573	26,295	63,484	89,779
2004	92,297	77,094	169,391	44,985	61,039	106,024
2005	101,125	66,094	167,219	55,571	58,779	114,350
2006	101,642	60,240	161,882	62,513	55,281	117,794
Thereafter	1,063,003	570,545	1,633,548	1,023,798	771,655	1,795,453
	1,657,099	960,684	2,617,783	1,321,498	1,079,125	2,400,623
Less: Unamortized bond discount	(22,743)	—	(22,743)	(22,080)	—	(22,080)
Unamortized loss on bond refundings	—	—	—	—	—	—
Add: Unamortized bond premium	25,322	—	25,322	10,886	—	10,886
Net debt service requirements	1,659,678	960,684	2,620,362	1,310,304	1,079,125	2,389,429

Fiscal Year Ended September 30	Solid Waste Services			Airport		
	Principal	Interest	Total	Principal	Interest	Total
2002	1,962	986	2,948	3,387	24,426	27,813
2003	1,900	883	2,783	5,765	24,173	29,938
2004	1,888	784	2,672	7,316	23,806	31,122
2005	1,677	686	2,363	7,759	23,361	31,120
2006	909	609	1,518	8,473	22,846	31,319
Thereafter	11,428	3,414	14,842	370,495	268,775	639,270
	19,764	7,362	27,126	403,195	387,387	790,582
Less: Unamortized bond discount	(31)	—	(31)	(7,614)	—	(7,614)
Unamortized loss on bond refundings	(710)	—	(710)	(1,557)	—	(1,557)
Add: Unamortized bond premium	296	—	296	18	—	18
Net debt service requirements	\$ 19,319	7,362	26,681	394,042	387,387	781,429

(continued)

(1) Included in the debt service requirements of Electric is \$150,703,000 principal and \$1,001,252 interest for commercial paper notes.

(2) Included in the debt service requirements of Water and Wastewater is \$78,226,000 principal and \$304,367 interest for commercial paper notes.

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

14 -- DEBT SERVICE REQUIREMENTS, continued

Fiscal Year Ended September 30	Convention Center			Drainage		
	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 3,146	13,649	16,795	187	109	296
2003	3,315	13,487	16,802	190	99	289
2004	5,275	13,269	18,544	166	89	255
2005	6,131	12,976	19,107	155	79	234
2006	6,544	12,644	19,188	105	72	177
Thereafter	224,037	163,996	388,033	1,417	453	1,870
	248,448	230,021	478,469	2,220	901	3,121
Less: Unamortized bond discount	(2,781)	—	(2,781)	(3)	—	(3)
Unamortized loss on bond refundings	(6,518)	—	(6,518)	(2)	—	(2)
Add: Unamortized bond premium	535	—	535	29	—	29
Net debt service requirements	239,684	230,021	469,705	2,244	901	3,145

Fiscal Year Ended September 30	Transportation			Golf		
	Principal	Interest	Total	Principal	Interest	Total
2002	117	18	135	499	414	913
2003	123	13	136	421	388	809
2004	130	7	137	493	367	860
2005	66	2	68	489	342	831
2006	—	—	—	503	319	822
Thereafter	—	—	—	6,080	1,685	7,765
	436	40	476	8,485	3,515	12,000
Less: Unamortized bond discount	—	—	—	(7)	—	(7)
Unamortized loss on bond refundings	—	—	—	(51)	—	(51)
Add: Unamortized bond premium	—	—	—	61	—	61
Net debt service requirements	\$ 436	40	476	8,488	3,515	12,003

(continued)

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

14 -- DEBT SERVICE REQUIREMENTS, continued

Fiscal Year Ended September 30	Fleet Maintenance			Support Services		
	Principal	Interest	Total	Principal	Interest	Total
2002	\$ 132	97	229	128	55	183
2003	136	89	225	138	48	186
2004	130	81	211	152	42	194
2005	130	73	203	79	34	113
2006	84	67	151	45	30	75
Thereafter	1,338	431	1,769	558	141	699
	1,950	838	2,788	1,100	350	1,450
Less: Unamortized bond discount	(2)	--	(2)	(3)	--	(3)
Unamortized loss on bond refundings	(59)	--	(59)	(59)	--	(59)
Add: Unamortized bond premium	18	--	18	28	--	28
Net debt service requirements	1,907	838	2,745	1,066	350	1,416

Fiscal Year Ended September 30	Information Systems			Total Debt Service Requirements		
	Principal	Interest	Total	Principal	Interest	Total
2002	798	123	921	350,181	205,445	555,626
2003	856	86	942	106,682	192,780	299,462
2004	743	48	791	153,575	176,626	330,201
2005	450	19	469	173,632	162,445	336,077
2006	155	3	158	180,973	152,111	333,084
Thereafter	--	--	--	2,702,154	1,781,095	4,483,249
	3,002	279	3,281	3,667,197	2,670,502	6,337,699
Less: Unamortized bond discount	--	--	--	(55,264)	--	(55,264)
Unamortized loss on bond refundings	--	--	--	(8,956)	--	(8,956)
Add: Unamortized bond premium	--	--	--	37,193	--	37,193
Net debt service requirements	\$ 3,002	279	3,281	3,640,170	2,670,502	6,310,672

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

15 -- INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2001, are as follows:

	<u>Current</u> <u>Due From</u> <u>Other Funds</u>	<u>Long-Term</u> <u>Advance To</u> <u>Other Funds</u>
RECEIVABLES:		
Special Revenue Funds		
Other Special Revenue Funds:		
Receivable from Other Special Revenue Funds	\$ 13,689,040	--
Capital Projects Funds		
Capital Projects Funds Prior to 1984:		
Receivable from Capital Projects Funds Prior to 1984	82,006	--
Capital Projects Funds 1984:		
Receivable from Capital Projects Funds 1984	504,329	--
Capital Projects Funds 1985:		
Receivable from Capital Projects Funds 1987	54,298	--
Capital Projects Funds 1992:		
Receivable from Capital Projects Funds 1992	72,989	--
Capital Projects Funds 1998:		
Receivable from Capital Project Funds 1998	2,419,473	--
Capital Projects Funds Other Funds:		
Receivable from Capital Projects Funds Other Funds	4,861,000	--
Receivable from Agency Funds	3,660	--
Enterprise Funds		
Electric:		
Special Revenue Funds:		
Receivable from Other Special Revenue Funds	150,000	--
Water and Wastewater (Restricted):		
Internal Service Funds:		
Receivable from Information Systems	26,872	241,850
Airport (Restricted):		
Receivable from General Long-Term Debt Group	--	4,318,000
Total Receivables	<u><u>\$ 21,863,667</u></u>	<u><u>4,559,850</u></u> (continued)

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

15 -- INTERFUND RECEIVABLES AND PAYABLES, continued

	<u>Current</u> <u>Due To</u> <u>Other Funds</u>	<u>Long-Term</u> <u>Advance From</u> <u>Other Funds</u>
PAYABLES:		
Special Revenue Funds		
Federal Grants:		
Payable to Other Special Revenue Funds	\$ 8,018,701	--
State Grants:		
Payable to Other Special Revenue Funds	849,390	--
Other Special Revenue Grants:		
Payable to Other Special Revenue Funds	94,722	--
Other Special Revenue Funds		
Payable to Other Special Revenue Funds	4,726,227	--
Payable to Electric Fund	150,000	--
Capital Projects Funds		
Capital Projects Funds Prior to 1984:		
Payable to Capital Projects Funds Prior to 1984	82,006	--
Capital Projects Funds 1984:		
Payable to Capital Projects Funds 1984	504,329	--
Capital Projects Funds 1987:		
Payable to Capital Projects Funds 1985	54,298	--
Capital Projects Funds 1992:		
Payable to Capital Projects Funds 1992	72,989	--
Capital Projects Funds 1998:		
Payable to Capital Projects Funds 1998	2,419,473	--
Capital Projects Funds Other Funds:		
Payable to Capital Projects Funds Other Funds	4,861,000	--
Internal Service Funds		
Information Systems:		
Payable to Water and Wastewater	26,872	241,850
Trust and Agency Funds		
Agency Funds:		
Payable to Capital Projects Funds	3,660	--
General Long-Term Debt Group		
Payable to Airport	--	4,318,000
Total Payables	<u><u>\$ 21,863,667</u></u>	<u><u>4,559,850</u></u>

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

16 -- INTERFUND TRANSFERS

a -- Interfund Transfers

Operating transfers between funds during the year were as follows:

Operating Transfers In		Operating Transfers Out	Amount
General Fund	Enterprise Funds:	Electric	\$ 67,283,000
		Water and Wastewater	18,541,446
		Parks and Recreation	458,516
			<u>86,282,962</u>
Special Revenue Funds - Other:			
Balcones Canyonlands Conservation Plan	General Fund		160,000
	Enterprise Funds:	Drainage	470,015
Barton Springs Conservation	General Fund		45,000
Environmental Remediation	Enterprise Funds:	Water and Wastewater	75,000
		Solid Waste	1,750,000
		Drainage	100,000
Federally Qualified Health Center	Enterprise Funds:	Hospital	8,650,018
Neighborhood Housing and Conservation	General Fund		1,162,995
	Enterprise Funds	Electric	133,333
		Water and Wastewater	133,333
		Airport	133,333
PARD Cultural Projects	Special Revenue Funds:	Hotel-Motel Occupancy Tax	3,634,952
Public Improvement District	Enterprise Funds:	Water and Wastewater	75,000
		Convention Center	75,000
Sustainability	General Fund		14,307,479
	Enterprise Funds:	Water and Wastewater	2,302,026
		Solid Waste	363,497
		Drainage	267,801
		Transportation	183,364
Tourism and Promotion	General Fund		125,382
	Special Revenue Funds:	Hotel-Motel Occupancy Tax	5,021,275
Voluntary Utility Assistance	General Fund		152,000
			<u>39,320,803</u>
Debt Service Funds:			
General Obligation Debt Service	Special Revenue Funds:	One Texas Center	2,416,538
	Capital Project Funds:	Downtown Art Museum	6,195,647
		Interest income fund	840,000
HUD Section 108 Loans	Special Revenue Funds:	Neighborhood Housing and Conservation	362,464
			<u>9,814,649</u>
Capital Projects Funds			
	General Fund		12,656,726
	Special Revenue Funds:	Sustainability	13,081,000
	Capital Project Funds:	Cultural arts	461,863
		General government projects	5,824,576
		Fire-general	1,763,404
		Capital reserve	1,000,000
		Interest income fund	6,893,200
	Expendable Trust Funds:	Planting for the future	173,580
			<u>\$ 41,854,349</u>

(continued)

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

16 -- INTERFUND TRANSFERS, continued

Operating Transfers In		Operating Transfers Out	Amount
Enterprise Funds:			
Solid Waste Services	General Fund		\$ 1,084,354
	Special Revenue Funds:	Environmental Remediation	868,000
	Enterprise Funds:	Drainage	46,893
Convention Center	Special Revenue Funds:	Hotel-Motel Occupancy Tax	22,488,324
		Vehicle Rental Tax	10,710,151
Drainage	General Fund		298,504
	Special Revenue Funds:	Sustainability	154,000
	Capital Project Funds:	Interest income fund	925,800
			<u>36,576,026</u>
Internal Service Funds:			
Information Systems	Capital Project Funds:	General government projects	<u>1,000,000</u>
Trust and Agency Funds-			
Expendable Trusts:			
Housing Trust Social Equity	Special Revenue Funds:	Sustainability	<u>1,000,000</u>
Total Operating Transfers			<u><u>\$ 215,848,789</u></u>

b -- Residual Equity Transfers

Residual equity transfers between funds are listed below. Proprietary fund transfers are reported in the financial statements as residual equity transfers or as contributions, as appropriate under generally accepted accounting principles.

	Residual Equity Transfers In	Residual Equity Transfers Out
Governmental funds		
General Fund	\$ --	500,000
Special Revenue Funds:		
Other Special Revenue Funds:		
APD Incident Management	500,000	--
Disproportionate Share	--	65,143
Capital Projects Funds		
Conservation Land	747,919	--
Balcones Canyonlands Conservation Plan	--	747,919
Proprietary funds		
Enterprise Funds:		
Water and Wastewater	197,978	--
Hospital	904,368	--
Trust and Agency funds		
Expendable Trust Funds:		
Penta Development	--	111,000
Fairway Ridge	--	197,978
Brackenridge Imaging	--	839,225
Town Lake Beautification	111,000	--
	<u>\$ 2,461,265</u>	<u>2,461,265</u>

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

17 -- SEGMENT INFORMATION

a -- Enterprise Fund Activities

The City maintains ten enterprise funds, which provide electric, water and wastewater, hospital, solid waste services, airport, convention center, drainage, transportation, golf, and parks and recreation activities. Segment information for the year ended September 30, 2001, is as follows (in thousands of dollars):

	Electric Fund	Water & Wastewater Fund	Hospital Fund	Solid Waste Services Fund	Airport Fund	Convention Center Fund	Other Enterprise Funds	Total Enterprise Funds
Operating revenues	\$ 806,311	219,914	9,755	36,958	68,528	11,072	55,066	1,207,604
Depreciation and amortization expense	85,828	52,240	2,520	1,801	15,292	2,668	1,944	162,293
Operating income (loss)	262,516	65,720	5,010	991	13,978	(7,074)	2,741	343,882
Operating transfers in	--	--	--	1,999	--	33,198	1,379	36,576
Operating transfers out	(67,416)	(21,127)	(8,650)	(2,114)	(133)	(75)	(1,527)	(101,042)
Net income (loss)	103,425	1,696	(1,790)	1,310	16,169	24,198	6,431	151,439
Current assets	234,444	34,913	35,460	6,797	9,655	18,514	9,074	348,857
Current liabilities	74,535	19,119	61	4,074	8,620	982	3,480	110,871
Net working capital surplus	159,909	15,794	35,399	2,723	1,035	17,532	5,594	237,986
Property, plant and equipment:								
Additions	244,226	129,523	--	9,078	14,202	82,121	9,495	488,645
Retirements	(10,512)	(2,987)	--	(3,439)	(1,033)	(1,294)	(370)	(19,635)
Transfers from other funds	5	--	--	--	--	--	37	42
Net property, plant and equipment	1,935,789	1,657,341	41,040	43,218	608,609	199,448	64,419	4,549,864
Total assets	3,118,190	2,223,771	76,500	59,443	733,420	345,967	101,005	6,658,296
Bond, restricted, and other long-term liabilities	1,931,549	1,437,220	--	25,066	412,415	259,747	12,642	4,078,639
Current capital contributions	--	--	904	--	1	--	1	906
Total equity	1,112,106	767,432	76,439	30,303	312,384	85,238	84,884	2,468,786

17 – SEGMENT INFORMATION, continued

b – Proprietary Fund Contributed Capital

The following table summarizes activity in contributed capital for the year ended September 30, 2001:

	Balance September 30, 2000	(To) From Municipality	Depreciation Taken	Balance September 30, 2001
Enterprise Funds:				
Electric	\$ 65,065,927	—	(3,335,183)	61,730,744
Water and Wastewater	350,855,981	—	(14,175,147)	336,680,834
Hospital	12,754,170	904,368	—	13,658,538
Solid Waste Services	1,372,233	—	—	1,372,233
Airport	152,302,895	1,366	(2,468,017)	149,836,244
Convention Center	21,606,204	—	(70,216)	21,535,988
Drainage	31,010,335	—	—	31,010,335
Transportation	331,206	—	—	331,206
Golf	848,680	—	(6,885)	841,795
Parks and Recreation	1,069,976	—	—	1,069,976
Internal Service Funds:				
Fleet Maintenance	27,468,252	3,731,702	—	31,199,954
Support Services	941,164	—	—	941,164
Information Systems	5,955,380	3,253,421	—	9,208,801
Employee Benefits	9,244,036	—	—	9,244,036
Workers' Compensation	2,443,283	—	—	2,443,283
Radio Communication	56,255	—	—	56,255
Infrastructure Support Services	343,005	—	—	343,005
Capital Projects Management	28,300	—	—	28,300
Total	\$ 683,697,282	7,890,857	(20,055,448)	671,532,691

18 – JOINT OPERATIONS

The City has entered into several participating agreements on joint projects. As required by generally accepted accounting principles, such joint operations have been evaluated to determine if they fall within the definition of the reporting entity. The following joint operations meet the criteria of an undivided interest as defined in GASB Statement 14 and, accordingly, the City's share of assets, liabilities, and expenses is included in the City's financial statements.

a – Fayette Power Project

The Fayette Power Project (the "Project", Units I and II) is jointly owned by the City and the Lower Colorado River Authority (LCRA, Project Manager) – each participant has an undivided interest in the Project. The Project is a joint operation of two coal-fired electric power generation units with a net capacity of 1,140 megawatts. Each participant's actual equity in the Project may vary from 50% depending on the percentage of kilowatt hours produced by the Project and used by each.

The Project is governed by a management committee whose four members are administratively appointed, two each, by the participants. As managing partner, LCRA is responsible for the operation of the Project and appoints the Project's management. However, the City has the ability to influence significantly the operation of the Project through approval of major contracts and new major expenditures by its appointees to the management committee. Each participant issued its own debt to finance its share of construction costs. The City's portion is financed through revenue bonds to be repaid by the Electric Fund. In addition, each participant has the obligation to finance its portion of any deficits that may occur.

NOTES TO COMBINED FINANCIAL STATEMENTS
September 30, 2001

CITY OF AUSTIN, TEXAS
(Continued)

18 -- JOINT OPERATIONS, continued

The following is a summary of financial information taken from the Project's audited financial statements, dated June 30, 2001, and 2000, the Project's fiscal year end (in thousands of dollars). These statements include Unit III, which is 100% owned by LCRA. These statements were not examined by the City's auditors.

	June 30, 2001			June 30, 2000		
	Total	COA	LCRA	Total	COA	LCRA
Assets	\$ 58,227	22,105	36,122	62,897	26,536	36,361
Liabilities	8,005	2,930	5,075	14,412	5,275	9,137
Equity	50,222	19,175	31,047	48,485	21,261	27,224
Revenues	2,526	549	1,977	1,538	361	1,177
Expenses	154,339	53,905	100,434	150,069	52,712	97,357
Net expenses incurred	\$ 151,813	53,356	98,457	148,531	52,351	96,180

Financial reports that include financial statements and supplementary information for the Fayette Power Project are publicly available at the LCRA, 3700 Lake Austin Blvd., Austin, TX 78703, (512) 473-3200.

b -- South Texas Project

The South Texas Project (STP) was formed for the purpose of licensing, constructing and operating two 1,250 megawatt nuclear generating units. The City was admitted to the STP in December 1973, with a 16% ownership in generating units and common facilities. The City is a tenant-in-common with Reliant Energy, Inc. (formerly Houston Lighting and Power Company or HL&P), City Public Service of San Antonio (CPS), and Central Power and Light Company (CP&L).

On October 1, 1997 the STP Nuclear Operating Company (OPCO) was formed by the owners of STP and replaced HL&P as the project manager. OPCO is a separate entity formed to manage STP. Each participant appoints one member to the board of directors of OPCO. There is also an owner's committee, and each participant appoints one member to the owner's committee. A member of the owner's committee may serve on the board of directors in the absence of a board member. OPCO, serving as project manager, is responsible for the operation and maintenance of the project as well as capital improvements. Each participant is responsible for its debt related to STP. The City's portion is financed through revenue bonds or commercial paper, which are repaid by the Electric Fund (see Note 12). In addition, each participant has the obligation to finance any deficits that may occur.

The City's portion of Units 1 and 2 of the South Texas Project is classified as plant in service. Nuclear fuel includes fuel in the reactor as well as nuclear fuel in process.

The following is a summary of financial information taken from the South Texas Project's audited financial statements dated December 31, 2000 (in thousands of dollars). These statements were not examined by the City's auditors.

	Reliant	CPS	CP&L	Austin	Total
Operations	\$ 91,029	82,754	74,519	47,288	295,590
Spent fuel	5,325	4,787	4,213	2,767	17,092
Total 2000 funding	\$ 96,354	87,541	78,732	50,055	312,682

Financial reports that include financial statements and supplementary information for the STP are publicly available at the STP Nuclear Operating Company, P.O. Box 289, Wadsworth, TX 77483, (361) 972-7067.

18 -- JOINT OPERATIONS, continued

c -- South Texas Project Decommissioning

The South Texas Project (STP) is subject to regulation by the Nuclear Regulatory Commission (NRC). The NRC requires that each holder of a nuclear plant operating license submit information to the NRC indicating the minimum amount of funds that will be required to decommission the plant while demonstrating reasonable assurance that sufficient funds are being accumulated to provide the minimum amount at the time the plant is decommissioned. This minimum amount must be adjusted annually in accordance with an adjustment factor as required by the NRC. At September 30, 2001 and 2000, the City had funded its share of the estimated decommissioning liability as follows:

	<u>2001</u>	<u>2000</u>
Estimated cost to decommission STP	\$210,784,554	\$200,423,996
Restricted decommissioning fund assets	72,591,362	63,515,224

The City of Austin and other STP participants have provided the required information to the NRC, and the City of Austin has established an external irrevocable trust for decommissioning and has been collecting through its rates since 1989 sufficient amounts to provide for its share of the estimated decommissioning costs. For fiscal years 2001 and 2000, the City collected \$4,958,221 in each year for decommissioning expenses.

d -- Sandhill Power Project

The City entered into a Participation Agreement with Enron Sandhill Limited Partnership ("Enron Sandhill") for the construction and operation of the Sandhill Energy Center in Travis County. Operational since June 2001, the plant contains four gas-turbine units and has a total output capacity of 180 megawatts. Enron Sandhill was responsible for constructing the plant, while Austin Energy is responsible for the vast majority of the construction costs and for occupying and running the plant. Enron Sandhill's interest is limited to an 8.6% ownership interest in the plant (though Austin Energy owns 100% of the land on which the plant is sited) and a right to the first 100 megawatts of output until November 3, 2003. At that time Enron's interest in the plant will terminate and Austin Energy shall acquire full ownership and control. Currently, the Sandhill Energy Center is governed by a management committee composed of a representative of each, with Austin Energy's representative serving as the Chair.

e -- Municipal Utility Districts

The City has certain contractual commitments with several municipal utility districts (MUDs) for the construction of additions and improvements to the City's water and wastewater system that serve the MUDs and surrounding areas. These additions and improvements are funded by the issuance of City contract revenue bonds, whose principal and interest are payable primarily from the net revenues of the Water and Wastewater Fund.

The City reports the bond proceeds as "investment in municipal utility districts" on the balance sheet of the Water and Wastewater Fund. As facilities funded by the contract revenue bonds are completed, the City's investment in municipal utility districts is reduced and plant in service is increased.

f -- Brushy Creek

During fiscal year 2001, the City entered into a contract with the Lower Colorado River Authority and the Brazos River Authority for the Brushy Creek Regional Wastewater System. The City sold its assets in the system and is now a customer rather than an owner in the system. The Lower Colorado River Authority constructs the assets of the system and the Brazos River Authority operates the system.

18 -- JOINT OPERATIONS, continued

g -- Rivercrest Water Supply Corporation

Upon annexation, in December 1997, of Davenport Ranch Municipal Utility District ("Davenport MUD"), the City assumed a cost sharing agreement with Davenport MUD, Davenport Limited, Rivercrest Water Supply Corporation and Loop 360 Water Supply Corporation. The agreement allocates the costs, based on capacity allocations, of operating a private water treatment facility servicing the Davenport MUD and the other participants' service areas. ST Environmental is under contract to operate the water treatment facility. The City may amend this arrangement in the future to provide for facility improvements that will allow the customers to be served by the City's system. The City incurred expenses of \$255,619 during the fiscal year.

19 -- LITIGATION

a -- Water and Wastewater Litigation

The City is involved in a number of lawsuits involving the operation of its water and wastewater system; some small lawsuits involve various property claims. The City believes these suits will not have a material effect on these financial statements.

b -- Other Litigation

A number of claims against the City are pending with respect to various matters arising in the normal course of the City's operations. Legal counsel and City management are of the opinion that the settlement of these claims and pending litigation will not have a material effect on the City's financial statements. The City has accrued liabilities in the Liability Reserve Fund for claims payable at September 30, 2001. These liabilities include amounts for lawsuits settled subsequent to year end.

20 -- COMMITMENTS AND CONTINGENCIES

a -- Certificates of Participation

The City has entered into several capital lease arrangements through the issuance of Certificates of Participation as follows:

\$23,060,000	Certificates of Participation, City of Austin, Texas Electric Utility Office Project, Series 1987;
\$14,000,000	Certificates of Participation, City of Austin, Texas Water and Wastewater Utility Office Project, Series 1987;

The certificates represent proportionate interests in lease payments to be made by the City to a third-party lessor. The City has title to the office projects, pursuant to general warranty deeds; however, the trustee maintains a vendor's lien and superior title to the properties until all sums due are paid in full.

The City's obligations under the lease agreements are subject to and dependent upon annual appropriations by the City Council and do not obligate the City to levy or pledge any form of taxation. Thus the certificates are treated as capital lease obligations rather than long-term bonds and are recorded as a liability in the funds.

20 – COMMITMENTS AND CONTINGENCIES, continued

The following table presents information regarding these certificates:

Description	Electric Fund Office Project (1)	Water and Wastewater Fund Office Project (1)
Date issued	February 1987	August 1987
Amount issued	\$23,060,000	\$14,000,000
Interest rates	4.00% - 7.00%	5.25% - 8.00%
Interest payable on	March 15 and September 15	May 15 and November 15
Maturity dates	September 15 1988 - 2007	November 15 1989 - 2007
Present value of lease payments	\$10,085,000	\$7,450,000
Reserve Fund (2)	\$ 2,000,000	\$1,250,000

(1) Subject to mandatory redemption upon the occurrence of certain events.

(2) Held by trustee, to be used to make final payments.

b – Federal and State Financial Assistance Programs

The City participates in a number of Federally assisted and State grant programs, with most funding from the Housing and Urban Development (HUD) Department, Health and Human Services (HHS) Department, and Department of Transportation. The City's programs are subject to program compliance audits by the granting agencies. Management believes that no material liability will arise from any such audits.

c – Arbitrage Rebate Payable

The City's financial advisor has determined that the City has earned interest revenue on unused bond proceeds in excess of amounts allowed by applicable Federal regulations, which will be rebated to the federal government. The estimated amounts payable at September 30, 2001 are \$844,124 for the enterprise funds and \$2,804,045 for the capital projects funds. The long-term payable related to the capital projects funds, in the amount of \$2,601,957, has been recorded in the General Long-Term Debt Group.

d – Capital Improvement Plan

As required by the City Charter, the City has a *Five Year Capital Improvement Plan* that is an anticipated spending plan for projects in the upcoming year (a *Capital Budget*) as well as for future years. The City's 2002 Capital Budget includes new appropriations of \$430,817,449 for the City's enterprise funds and \$106,859,820 for general government projects and appropriation reductions of \$37,351,005 for the enterprise funds and \$6,263,334 for general government projects. The City has substantial contractual commitments relating to its capital improvement plan.

e – Operating lease with Daughters of Charity Health Services of Austin

Effective October 1, 1995, the City entered into a long-term lease arrangement with the Daughters of Charity Health Services of Austin ("Seton"). Under the terms of the lease, Seton will operate City-owned Brackenridge Hospital and will provide all necessary medical services for all residents of Austin regardless of their ability to pay. The City will fund these services through payments to Seton for three programs. Under the Charity Care Program, the City will reimburse Seton up to a maximum of \$5.6 million annually for providing care to the medically indigent; provided, however, that Seton must first satisfy its requirement under State law to provide charity care in the amount of 4% of net revenues. Under the Medical Assistance Program, the City will pay Seton a maximum of approximately \$7.5 million beginning February 2001 (adjusted annually for the next 4 years) for providing services to patients enrolled in the City's Medical Assistance Program. For fiscal year 2001, expenditures were \$7.0 million. Under the Physician Services Program, the City paid Seton approximately \$5.4 million during fiscal year 2001, for providing physician services to patients in the first two programs. This amount will be adjusted annually for the next four years.

20 – COMMITMENTS AND CONTINGENCIES, continued

In June 2001, Seton formally notified the City that it would be unable to perform or permit others to perform certain reproductive services at Brackenridge Hospital. The notification was due to revisions in the *Ethical and Religious Directives for Catholic Health Care Services* to which Seton adheres. The City is in discussion with Seton in order to reach a mutually agreeable resolution.

f – Landfill Closure and Postclosure Liability

State and federal regulations require the City to place a final cover on the City of Austin landfill site (located on FM812) when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports in the Solid Waste Services Fund a portion of these closure and postclosure care costs as an operating expense in each period, based on landfill capacity used as of each balance sheet date. The \$6,904,024 reported as accrued landfill closure and postclosure costs at September 30, 2001, represents the cumulative amount reported to date based on the use of 77.9% of the estimated capacity of the landfill. The Solid Waste Services Fund will recognize the remaining estimated cost of closure and postclosure care of \$1,958,652 as the remaining estimated capacity is filled over the next ten years. The total estimated costs of \$8,862,676 include costs of closure in 2010 of \$2,298,015 and postclosure costs over the subsequent thirty years of \$6,564,661. These amounts are based on what it would cost to perform all closure and postclosure care in 2001. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

State and federal laws to demonstrate financial assurance for closure, postclosure, and/or corrective action became effective in April 1997. The City complies with the financial and public notice components of the local government financial test and government-guarantee of the test.

g – Risk-Related Contingencies

The City uses internal service funds to account for risks related to health benefits, third-party liability, and workers' compensation. The funds are as follows:

<u>Fund name</u>	<u>Description</u>
Employee Benefits	Approximately 13% of City employees use one of two HMOs; approximately 87% use the City's program, which is self-insured. In addition, retirees may choose from two HMOs and a PPO. Premiums are charged to other City funds through a charge per employee per pay period.
Liability Reserve	Self-insured. Includes losses and claims related to liability for bodily injury, property damage, professional liability, and certain employment liability. Excludes losses and claims related to health benefits or workers' compensation. Premiums are charged to other City funds each year based on historical costs.
Workers' Compensation	Self-insured. Premiums are charged to other City funds each year based on historical costs.

The City purchases stop loss insurance for the City's self-funded Medical Plan. This stop loss insurance covers individual claims that exceed \$150,000 per calendar year, up to a maximum of \$1 million. During fiscal year 2001, two claims exceeded the stop loss limit of \$150,000; four claims exceeded the stop loss limit in fiscal year 2000; and six claims exceeded the stop loss limit in fiscal year 1999. City coverage is limited to \$1 million in lifetime benefits. The City does not purchase stop loss insurance for workers' compensation claims.

The City purchases commercial insurance for coverage for property loss or damage, commercial crime, fidelity bond, and airport operations. The City also purchases a broad range of insurance coverage through the Rolling Owner Controlled Insurance Program (ROCIP). The program provides auto and commercial general liability coverage for the City and for contractors working at selected capital improvement sites; it also provides workers' compensation, employers' liability, and excess liability for contractors at these sites. The City purchases excess liability coverage for the Electric Fund and the Airport Fund. The City also purchases medical malpractice insurance coverage for physicians in the City's Health and Human Services Department and Primary Care Department clinics. None of the policies had claims settlements in excess of insurance coverage. The City does not participate in a risk pool. There are no significant reductions in insurance coverage in fiscal year 2001.

20 -- COMMITMENTS AND CONTINGENCIES, continued

Liabilities are reported when it is probable that a loss has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities for the Employee Benefits Fund are calculated considering recent claim settlement trends; liabilities for the Liability Reserve Fund and Workers' Compensation Fund are calculated based on outstanding claims. The amount to be paid out ultimately may be more or less than the amount accrued at September 30, 2001. The possible range of loss is \$23.5 - \$36.5 million. The City contributes amounts to an internal service fund based on an estimate of the cost of claims expected to be incurred each year.

Changes in the balances of claims liability are as follows (in thousands of dollars):

	Employee Benefits		Liability Reserve		Workers' Compensation	
	2001	2000	2001	2000	2001	2000
Liability balances, beginning of year	\$ 3,737	3,021	12,042	12,497	6,347	4,154
Claims and changes in estimates	4,015	4,024	3,897	2,705	3,472	5,483
Claim payments	(3,282)	(3,308)	(3,239)	(3,160)	(3,472)	(3,290)
Liability balances, end of year	<u>\$ 4,470</u>	<u>3,737</u>	<u>12,700</u>	<u>12,042</u>	<u>6,347</u>	<u>6,347</u>

The Liability Reserve Fund claims liability balance at fiscal year end includes liabilities of \$5.8 million discounted at 5.28% in 2001 and \$6.2 million discounted at 5.74% in 2000.

h -- Environmental Remediation Contingencies

The Electric Fund may incur potential costs related to environmental remediation of certain sites including the Seaholm Power Plant, and the statements include a liability of \$2 million at September 30, 2001. This amount includes the cost of penalties associated with an Environmental Protection Agency (EPA) PCB inspection and estimated remaining costs for the remediation of the contaminated sites. The Electric Fund anticipates payment of these costs in 2002.

The EPA previously issued an Administrative Order to the Water and Wastewater Utility. The Utility must conduct studies of its wastewater collection system, eliminate overflows by December 2007 and make necessary improvements requiring capital investment for the repair and/or rehabilitation of the collection system infrastructure. When the studies are complete the utility will be able to estimate the cost of the improvements. Currently, the Utility is complying with all requirements of the Administrative Order.

The Airport Fund may also incur potential costs related to environmental remediation of certain sites, and has recorded in these financial statements an estimated liability of \$3 million.

I -- Downtown Development Projects

The Austin Convention Center expansion is under way. The \$110 million expansion will double the amount of space currently available. The expansion is scheduled to be completed in May 2002. In March 2001, the City Council approved payment of \$15 million to Austin Convention Enterprises, Inc. for the City's share in the construction of a new Convention Center Headquarter Hotel; the payment is recorded as a deferred asset in the Convention Center Fund. The hotel will be financed by debt issued by Austin Convention Enterprises, Inc. The debt does not constitute a pledge of faith and credit of the City and accordingly has not been reported in the accompanying financial statements. The hotel is scheduled to open for business in January 2004.

The Lester E. Palmer Events Center and Parking Garage are also nearing completion. These facilities will replace the City Coliseum and Palmer Auditorium. The Lester E. Palmer Events Center and Parking Garage were approved through a bond proposition by Austin residents in 1998. The total project cost is approximately \$48.3 million, which is funded by an increase in the vehicle rental tax of 5%. The parking garage is scheduled to open in November 2001; the events center is scheduled to open in June 2002.

20 -- COMMITMENTS AND CONTINGENCIES, continued

The 1998 election also authorized the City to lease the existing Palmer Auditorium and adjacent parkland for up to fifty years. Arts Center Stage, the lessee, will renovate the auditorium using privately-raised funds. The renovated auditorium will be known as the Long Center for the Performing Arts. The auditorium reverts to the City at the end of the fifty-year lease.

In August 2001, Computer Sciences Corporation (CSC) employees moved into the first of two new buildings. Employees are scheduled to move into the second building in November. CSC has not begun construction of a planned third building. See Footnote 22 for an update subsequent to September 30.

In December 2000, the City Council approved a resolution for a \$25 million incentive package for Vignette Corp. to relocate in downtown Austin. Vignette announced in May 2001 that it was canceling the relocation plans due to the economic slowdown. Also, Intel Corporation has halted construction of a 10-story downtown center due to the economic slowdown. Any decision on the project has been postponed indefinitely. Intel was to have received up to \$9 million in incentives for development in the downtown area.

J -- Other Commitments and Contingencies

The City is committed under various leases for building and office space, tracts of land and rights of way, and various equipment. These leases are considered for accounting purposes to be operating leases. Lease expense for the year ended September 30, 2001, amounted to \$17,617,658. The City expects these leases to be replaced in the ordinary course of business with similar leases. Future minimum lease payments for these leases should be approximately the same amount.

The City has entered into certain lease agreements, including the certificates of participation, as lessee for financing the purchase of equipment used in the Electric Fund and Water and Wastewater Fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following summarizes utility assets recorded at September 30, 2001, under capital lease obligations:

	Electric	Water & Wastewater	Total
Assets			
Building	\$ 21,604,300	12,750,000	34,354,300
Accumulated depreciation	(7,463,804)	(3,434,330)	(10,898,134)
Net assets	<u>\$ 14,140,496</u>	<u>9,315,670</u>	<u>23,456,166</u>

20 – COMMITMENTS AND CONTINGENCIES, continued

The following is an analysis of the future minimum lease payments under these capital leases and Certificates of Participation and the present value of the net minimum lease payments, as of September 30, 2001:

Fiscal Year Ended September 30	Electric	Water and Wastewater	Total
2002	\$ 2,210,065	1,406,194	3,616,259
2003	2,207,430	1,387,931	3,595,361
2004	2,206,730	1,389,216	3,595,946
2005	2,203,680	1,384,350	3,588,030
2006	2,202,930	1,373,437	3,576,367
Later years	4,301,059	2,758,000	7,059,059
Total minimum lease payments	15,331,894	9,699,128	25,031,022
Less:			
Amount representing interest	3,858,760	2,249,128	6,107,888
Present value of net minimum lease payments	11,473,134	7,450,000	18,923,134
Current portion	1,436,614	850,000	2,286,614
Long-term portion	\$ 10,036,520	6,600,000	16,636,520

The City guarantees certain energy improvement loans made by a bank. The maximum contingent liability of the RMD Loan Fund, a special revenue fund, is \$3.7 million, which City management does not anticipate having to fulfill.

The City has entered into an agreement with the Federal Aviation Administration regarding the development of new facilities exclusively for the use of the State Aircraft Pooling Board of Austin-Bergstrom International Airport. The construction of these facilities was paid for from the Aviation Fund, which receives Federal airport grant assistance. The Aviation Fund was partially reimbursed for the \$4.8 million in construction costs with \$1.4 million that was received by the City from the Austin Museum of Art, Inc. for land conveyed to the City from the State of Texas. Additionally, land at the City's former airport site (Mueller) received Federal grant assistance. Repayment of these amounts will be made from the City to the Aviation Fund over a period of 5-7 years. The Aviation Fund has recorded a corresponding interfund receivable in the amount of \$4.3 million.

To comply with Federal Aviation Administration (FAA) requirements, the City stopped sending household garbage to the City's landfill site near Austin-Bergstrom International Airport. The landfill site continues to accept nonbird attracting waste, and the FAA has agreed to this approach. With the closing of the City landfill for household garbage, the City has entered into long-term contracts for household waste disposal.

21 – OTHER POST-EMPLOYMENT BENEFITS

In addition to making contributions to the three pension systems, the City provided certain other post-employment benefits to its retirees. Other post-employment benefits include access to medical and dental insurance for the retiree and the retiree's family and \$1,000 of life insurance on the retiree only.

All retirees who are eligible to receive pension benefits under any of the City's three pension systems are eligible for other post-employment benefits. Retirees may also enroll eligible dependents under the medical and dental plan(s) in which they participate. Eligible dependents of the retiree include a legally married spouse, unmarried children under age 19 (under age 24 if an eligible student) who are dependent upon the retiree for support including natural children, stepchildren, legally adopted children, children for whom the retiree has obtained court-ordered guardianship/conservatorship, qualified children placed pending adoption, and grandchildren who qualify as a dependent on the retiree's or retiree's spouse's federal income tax return, and eligible disabled children. A surviving spouse of a deceased retiree may continue medical coverage until the date the surviving spouse remarries. A surviving spouse of a deceased retiree may continue dental coverage for 36 months by paying the entire premium plus a two-percent administrative fee. Other surviving dependents of a deceased retiree may continue medical and dental coverage for 36 months by paying the entire premium plus a two-percent administrative fee.

21 -- OTHER POST-EMPLOYMENT BENEFITS, continued

The City is under no obligation, statutory or otherwise, to offer other post-employment benefits or to pay any portion of the cost of other post-employment benefits to any retirees. Allocation of City funds to pay other post-employment benefits or to make other post-employment benefits available is determined on an annual basis by the City Council as part of the budget process.

The City pays a portion of the retiree's medical insurance premium and a portion of the retiree's dependents' medical insurance premium. The portion paid by the City varies according to age, coverage selection, and years of service. The percentage of the medical insurance premium paid by the City ranges as follows:

<u>Years of Service</u>	<u>Retiree only</u>	<u>Dependent only</u>
Less than 5 years	6% - 18%	4% - 11%
5 to 10 years	10% - 26%	5% - 17%
10 to 15 years	16% - 44%	9% - 28%
15 to 20 years	23% - 62%	14% - 39%
Greater than 20 years	32% - 88%	18% - 56%

The City pays 100% of the retiree's life insurance premium. Group dental coverage is available to retirees and their eligible dependents. The retiree pays the full cost of the dental premium.

Other post-employment benefits are expensed and funded on a pay-as-you-go basis. The City recognizes the cost of providing these benefits as payroll expense/expenditure in an operating fund with corresponding revenue in the Employee Benefits Fund. Medical and dental premiums and claims and life insurance premiums are reported in the Employee Benefits Fund. The cost of providing these benefits for 2,090 retirees and 9,713 active employees in 2001 and 2,050 retirees and 9,320 active employees in 2000 is not separable and cannot be reasonably estimated. Total payments to the Employee Benefits Fund for retirees and active employees were \$39,444,283 in 2001 and \$31,479,028 in 2000.

As more fully described in Note 18, the City is a participant in the South Texas Project Nuclear Operating Company (OPCO) and as such is liable for certain post-employment benefits for OPCO employees. At December 31, 2000, the City's portion of this obligation, \$5,899,126, is not reflected in the financial statements of the Electric Fund.

22 -- SUBSEQUENT EVENTS

a -- General Obligation Bonds Issuance

In October 2001, the City issued Public Improvements Bonds, Series 2001, in the amount of \$79,650,000. Of the proceeds from the issue, \$6,310,000 will be used for land acquisition and libraries; \$1,000,000 will be used for asbestos abatement, \$35,555,000 will be used for street improvements, \$8,920,000 will be used for park and recreation facilities, \$4,565,000 will be used for emergency centers, and \$2,300,000 will be used for the Carver Museum expansion, \$15,000,000 will be used for ROW acquisition and utility relocation, and \$6,000,000 will be used for police forensics. These bonds will be amortized serially on September 1 of each year from 2004 to 2021. Certain of these bonds are callable beginning September 1, 2012. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2002. Total interest requirements for these bonds, at rates ranging from 4% to 5.25%, are \$53,100,504.

b -- Public Property Finance Contractual Obligations Issuance

In October 2001, the City issued Certificates of Obligation, Series 2001, in the amount of \$2,650,000. Of the proceeds from the issue, \$1,385,000 will be used for police helicopter and \$1,265,000 will be used for capital equipment. These certificates of obligation will be amortized serially May 1 of each year from 2002 to 2008. Interest is payable on May 1 and November 1 of each year, commencing May 1, 2002. The contractual obligations are not subject to optional redemption prior to maturity. Total interest requirements for these obligations, at rates ranging from 3% to 3.88%, are \$391,720.

22 -- SUBSEQUENT EVENTS, continued

c -- Certificates of Obligation Issuance

In October 2001, the City issued Certificates of Obligation, Series 2001, in the amount of \$65,335,000. The proceeds from the issue will be used as follows: developer reimbursements (\$500,000); right of way acquisition and utility relocation (\$29,500,000), convention center (\$10,000,000), golf course improvements (\$620,000), north service center (\$3,545,000), City Hall (\$19,150,000), and landfill capital requirements (\$2,020,000). These certificates of obligation will be amortized serially September 1 of each year from 2002 to 2021. Certain of these obligations are callable beginning September 1, 2012. Interest is payable on March 1 and September 1 of each year, commencing March 1, 2002. Total interest requirements for these obligations, at rates ranging from 4% to 5.25%, are \$31,414,665.

d -- Water and Wastewater System Revenue Bond Refunding Issue

In November 2001, the City issued \$95,380,000 of Water and Wastewater System Revenue Refunding Bonds, Series 2001C. Proceeds from the bonds were used to refund \$96,660,000 of the par amount of the bonds. The refunding resulted in future interest requirements to service the debt of \$25,419,181. An economic gain of \$7,971,757 was recognized on this transaction. The change in net cash flows that resulted was \$8,066,955. An accounting loss of \$3,123,904, which will be deferred and amortized in accordance with Statement of Financial Accounting Standards No. 71, was recognized on the refunding. The following bonds were refunded in this transaction (in thousands of dollars):

Series	Amount
1986 Revenue	\$ 10,065
1990A Refunding	4,920
1990B Refunding	900
1990 Sub Lien	3,740
1991A Refunding	29,670
1991 Circle C MUD No. 3	14,200
1991 Southland Oaks MUD	18,155
1991 Village at Western Oaks MUD	15,010
	<u>\$ 96,660</u>

e -- Grant Liability

In October 2001, the Housing and Urban Development (HUD) Department directed the City to repay \$1.25 million used to purchase land in a prior year. The City contracted with a subrecipient to develop the land with a housing project known as Vision Village. The subrecipient is under investigation by the City and FBI; in November 2001, the investigation was turned over to the county district attorney's office. HUD has agreed to allow the City to repay the amount in installments during fiscal years 2002 and 2003, and the City has reported this amount in the fiscal year 2001 financial statements.

f -- Electric Retail Competition

Municipally owned utilities such as the City's electric utility system have the option of offering retail competition after January 1, 2002. The City Council has directed that the electric utility will not open its service area for retail competition ("opt in") at this time.

g -- Enron Bankruptcy

The electric utility (Austin Energy) and Enron Corporation have entered into a joint operation agreement (the Sandhill Power Project). Although Enron Sandhill is not in bankruptcy, its guarantor, Enron North America Corporation is currently under Chapter 11 protection. Prior to the bankruptcy filing, Austin Energy issued a notice of default to Enron Sandhill and Enron North America stating that Enron and Partnership were in anticipatory breach of their obligations under the Participation Agreement because of past due invoices. The letter also stated that Austin Energy would decline any requests to schedule delivery of energy from Sandhill Energy Center until payment of delinquent invoices have been received and authorized written assurances are given that future invoices will be paid in a timely manner. Austin Energy suspended all bilateral transactions with Enron in early November 2001 and no additional energy transactions are contemplated with Enron. Austin Energy does not anticipate that the Enron bankruptcy proceedings, in which Austin Energy is listed as an unsecured creditor, will have a material adverse effect on the operation of the Sandhill Energy Center.

22 -- SUBSEQUENT EVENTS, continued

Enron has not billed Austin Energy for all remaining construction costs of the Sandhill Energy Center, which are estimated at \$1 million. Austin Energy considers these costs probable and, in accordance with generally accepted accounting principles, has accrued this amount. Other potential costs associated with Enron include recent payments to Austin Energy by Enron, which may be subject to preference challenge in bankruptcy court. Estimates of the costs range from \$0 to \$1.6 million.

h -- Conduit Debt

In December 2001, the City issued \$11.5 million of housing revenue bonds for Austin Housing Finance Corporation. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The bonds do not constitute a debt or pledge of the faith and credit of the City and accordingly will not be reported in future financial statements.

i -- Computer Sciences Corporation

In January 2002, the City Council voted to buy back from Computer Sciences Corporation (CSC) the right to develop a city-owned block that the City agreed in 1999 to lease to CSC. The City will pay \$4 million to CSC in order to buy back the development rights. In addition to the \$4 million payment, CSC will keep a \$4 million deposit it originally paid into escrow, which was to be paid to the City at the inception of construction on this block. The City will avoid paying \$2.6 million in incentives and will keep previously promised parking garage space beneath City Hall with an estimated value of \$4 million. CSC has completed construction on two other city-owned blocks that constituted the original agreement.



GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except for those required to be accounted for in another fund.

**GENERAL FUND
BALANCE SHEET
September 30, 2001**

**CITY OF AUSTIN, TEXAS
Exhibit B-1**

With comparative totals for September 30, 2000

	2001	2000
ASSETS		
Cash	\$ 87,388	124,742
Pooled investments and cash	35,120,932	28,270,387
Property taxes receivable	5,434,951	5,386,313
Less allowance for uncollectible taxes	(989,677)	(969,536)
Net taxes receivable	4,445,274	4,416,777
Accounts and other taxes receivable	66,464,570	66,942,596
Less allowance for doubtful accounts	(38,615,300)	(36,928,045)
Net accounts receivable	27,849,270	30,014,551
Inventories, at cost	1,522,969	1,540,774
Prepaid items and other assets	273,011	283,477
Total assets	69,298,844	64,650,708
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	5,586,536	6,145,105
Accrued payroll	5,798,262	4,694,875
Accrued compensated absences	2,774,177	2,804,177
Due to other funds	--	13,229
Deferred revenue	4,458,160	4,353,051
Performance, escrow and other deposits	2,601,118	2,131,200
Total liabilities	21,218,253	20,141,637
Fund balances:		
Reserved:		
Encumbrances	6,460,867	9,442,246
Inventories and prepaid items	1,795,980	1,824,251
Emergencies	15,000,000	17,658,310
Contingencies	366,953	615,422
Unreserved		
Designated for future use	539,613	--
Undesignated	23,917,178	14,968,842
Total fund balances	48,080,591	44,509,071
Total liabilities and fund balances	\$ 69,298,844	64,650,708

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL-BUDGET BASIS
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

CITY OF AUSTIN, TEXAS
Exhibit B-2

			2001			2000
	Actual	Adjustments (1) (2)	Actual- Budget Basis	Budget	Variance- Favorable (Unfavorable)	Actual- Budget Basis
REVENUES						
Taxes	\$ 251,749,818	--	251,749,818	259,543,305	(7,793,487)	240,663,684
Franchise fees	31,452,706	--	31,452,706	28,002,200	3,450,506	23,699,065
Fines, forfeitures and penalties	16,999,766	--	16,999,766	16,684,955	314,811	16,039,732
Licenses, permits and inspections	17,630,897	--	17,630,897	16,953,748	677,149	18,173,885
Charges for services/goods	14,984,531	(1,259,810)	13,724,721	11,262,833	2,461,888	11,757,818
Interest and other	10,584,063	--	10,584,063	8,957,902	1,626,161	9,410,372
Nondepartmental revenues	--	--	--	--	--	8,794,817
Total revenues	343,401,781	(1,259,810)	342,141,971	341,404,943	737,028	328,539,373
EXPENDITURES						
Administration	9,425,506	(3,445)	9,422,061	9,757,764	335,703	9,217,085
Urban growth management	11,569,463	42,210	11,611,673	13,028,116	1,416,443	10,215,532
Public safety	210,280,836	2,413,882	212,694,718	217,975,633	5,280,915	190,347,117
Public services and utilities	9,519,936	162,049	9,681,985	10,111,779	429,794	5,917,338
Public health:						
Physician stipend/chantry care	10,495,146	--	10,495,146	10,495,146	--	10,495,146
Medical Assistance Program--hospital contracted services/patient services	6,085,832	--	6,085,832	6,108,237	22,405	5,797,713
Other public health	24,856,138	197,462	25,053,600	25,463,922	410,322	25,427,453
Public recreation and culture	47,459,639	324,324	47,783,963	47,973,830	189,867	43,835,536
Social services management	8,071,026	(774,120)	7,296,906	8,517,380	1,220,474	10,132,129
Nondepartmental expenditures (3)	57,857,261	(48,849,422)	9,007,839	9,476,990	469,151	18,994,289
Total expenditures	395,620,783	(46,487,060)	349,133,723	358,908,797	9,775,074	330,379,338
Excess (deficiency) of revenues over expenditures	(52,219,002)	45,227,250	(6,991,752)	(17,503,854)	10,512,102	(1,839,965)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	86,282,962	7,414,714	93,697,676	92,882,676	815,000	81,295,130
Operating transfers out	(29,992,440)	(51,955,889)	(81,948,329)	(85,674,400)	3,726,071	(80,842,792)
Total other financing sources (uses)	56,290,522	(44,541,175)	11,749,347	7,208,276	4,541,071	452,338
Excess (deficiency) of revenues and other sources over expenditures and other uses	4,071,520	686,075	4,757,595	(10,295,578)	15,053,173	(1,387,627)
Fund balances at beginning of year	44,509,071	(5,303,875)	39,205,196	10,315,578	28,889,618	40,592,823
Residual equity transfers in (out)						
Special revenue funds:						
APD Incident Management	(500,000)	500,000	--	--	--	--
Fund balances at end of year	\$ 48,080,591	(4,117,800)	43,962,791	20,000	43,942,791	39,205,196

(1) Includes adjustments to expenses/expenditures for current year encumbrances, payments against prior year encumbrances, accrued payroll, compensated absences, and amounts budgeted as operating transfers.

(2) Includes adjustments to revenues/transfers required for adjusted budget basis presentation.

(3) Actual expenses include employee training costs and amounts budgeted as fund-level expenses or operating transfers. Actual-budget basis expenditures include employee training costs, budgeted payroll accrual, and amounts budgeted as fund-level expenses.

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL-BUDGET BASIS
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

CITY OF AUSTIN, TEXAS
Exhibit B-3

			2001			2000
			Actual-		Variance-	Actual-
	Actual	Adjustments	Budget	Budget	Favorable	Budget
		(1)	Basis		(Unfavorable)	Basis
Taxes						
Property taxes:						
Current	\$ 123,581,214	--	123,581,214	123,311,622	269,592	113,789,108
Delinquent	607,885	--	607,885	635,534	(27,649)	853,714
Penalty and interest	741,836	--	741,836	621,149	120,687	685,147
Sales taxes	123,218,291	--	123,218,291	131,813,000	(8,594,709)	122,157,210
Other taxes	3,600,592	--	3,600,592	3,162,000	438,592	3,178,505
Total taxes	251,749,818	--	251,749,818	259,543,305	(7,793,487)	240,663,684
Franchise fees						
	31,452,706	--	31,452,706	28,002,200	3,450,506	23,699,065
Fines, forfeitures and penalties						
Library fines	371,703	--	371,703	412,809	(41,106)	402,670
Traffic fines	8,160,598	--	8,160,598	8,188,920	(28,322)	7,511,479
Parking violations	2,503,208	--	2,503,208	2,745,400	(242,192)	2,654,595
Weights and measures	109,297	--	109,297	117,800	(8,503)	116,785
Other	5,854,960	--	5,854,960	5,220,026	634,934	5,354,203
Total fines, forfeitures and penalties	16,999,766	--	16,999,766	16,684,955	314,811	16,039,732
Licenses, permits and inspections						
Parking meters	2,085,510	--	2,085,510	1,989,851	95,659	2,221,750
Alarm permits	1,545,202	--	1,545,202	1,508,615	36,587	1,599,937
Commercial solid waste	864,393	--	864,393	651,000	213,393	524,288
Public health	1,175,291	--	1,175,291	1,182,432	(7,141)	1,067,454
Development	1,852,244	--	1,852,244	1,688,688	163,556	1,819,335
Building safety	9,636,792	--	9,636,792	9,450,568	186,224	10,332,575
Beer and wine permits	241,128	--	241,128	212,000	29,128	240,045
Other	230,337	--	230,337	270,594	(40,257)	368,501
Total licenses, permits and inspections	17,630,897	--	17,630,897	16,953,748	677,149	18,173,885
Charges for services/goods						
Recreation and culture	2,030,173	--	2,030,173	1,943,350	86,823	2,132,582
Public health	976,474	--	976,474	1,066,254	(89,780)	1,074,132
Emergency medical services	9,828,763	--	9,828,763	7,425,200	2,403,563	7,724,476
General government	2,149,121	(1,259,810)	889,311	828,029	61,282	826,628
Total charges for services/goods	14,984,531	(1,259,810)	13,724,721	11,262,833	2,461,888	11,757,818
Interest and other						
Interest	7,742,749	--	7,742,749	7,299,200	443,549	7,073,089
Rental income	351,605	--	351,605	265,030	86,575	324,783
Sale of property	607,198	--	607,198	171,003	436,195	504,688
Municipal Utility Districts	1,930	--	1,930	--	1,930	13,358
Other	1,880,581	--	1,880,581	1,222,669	657,912	1,494,454
Total interest and other	10,584,063	--	10,584,063	8,957,902	1,626,161	9,410,372
Nondepartmental revenues						
	--	--	--	--	--	8,794,817
Total revenues	\$ 343,401,781	(1,259,810)	342,141,971	341,404,943	737,028	328,539,373

(1) Adjustments and actual-budget basis include amounts budgeted as fund-level revenues.

**GENERAL FUND
SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL-BUDGET BASIS**

**CITY OF AUSTIN, TEXAS
Exhibit B-4**

Year ended September 30, 2001

With comparative totals for year ended September 30, 2000

	2001				2000	
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Favorable (Unfavorable)	Actual- Budget Basis
Administration						
Municipal Court:						
Salaries and fringe benefits	\$ 7,387,222	110,037	7,497,259	7,625,605	128,346	6,635,931
Contractual services	1,816,338	(94,115)	1,722,223	1,881,376	159,153	1,794,931
Commodities	238,726	409	239,135	193,439	(45,696)	276,248
Expense refunds	(95,565)	-	(95,565)	(5,066)	90,499	(74,139)
Capital outlay	78,785	(19,776)	59,009	62,410	3,401	584,114
Total administration	9,425,506	(3,445)	9,422,061	9,757,764	335,703	9,217,085
Urban growth management						
Neighborhood Planning and Zoning:						
Salaries and fringe benefits	2,811,766	34,301	2,846,067	3,335,896	489,829	-
Contractual services	496,814	24,126	520,940	694,180	173,240	-
Commodities	90,653	13,941	104,594	135,899	31,305	-
Expense refunds	(4,200)	-	(4,200)	(35,000)	(30,800)	-
Capital outlay	13,329	2,951	16,280	54,064	37,784	-
	3,408,362	75,319	3,483,681	4,185,039	701,358	-
Development Services and Watershed Protection:						
Salaries and fringe benefits	6,919,538	79,901	6,999,439	7,380,987	381,548	8,773,963
Contractual services	1,257,809	(76,219)	1,181,590	1,379,028	197,438	1,776,690
Commodities	134,253	(24,541)	109,712	97,520	(12,192)	203,691
Expense refunds	(164,208)	-	(164,208)	(166,628)	(2,420)	(760,656)
Capital outlay	13,709	(12,250)	1,459	152,170	150,711	221,844
	8,161,101	(33,109)	8,127,992	8,843,077	715,085	10,215,532
Total urban growth management	11,569,463	42,210	11,611,673	13,028,116	1,416,443	10,215,532
Public safety						
Police:						
Salaries and fringe benefits	111,388,565	736,632	112,125,197	111,723,005	(402,192)	99,117,919
Contractual services	12,750,989	36,344	12,787,333	12,293,390	(493,943)	10,737,621
Commodities	2,077,292	153,230	2,230,522	2,774,425	543,903	1,747,438
Expense refunds	(4,366,648)	(16,449)	(4,383,097)	(2,996,669)	1,386,428	(5,763,748)
Capital outlay	1,166,244	164,005	1,330,249	2,140,913	810,664	1,846,312
	123,016,442	1,073,762	124,090,204	125,935,064	1,844,860	107,685,542
Fire:						
Salaries and fringe benefits	67,923,812	506,018	68,429,830	69,491,848	1,062,018	62,160,210
Contractual services	4,972,470	153,184	5,125,654	5,215,323	89,669	5,597,353
Commodities	1,616,478	(118,166)	1,498,312	1,808,736	310,424	1,919,723
Indirect cost	228,287	-	228,287	201,025	(27,262)	186,607
Expense refunds	(3,802,287)	-	(3,802,287)	(3,768,968)	33,319	(3,714,131)
Capital outlay	165,520	247,443	412,963	325,500	(87,463)	90,491
	71,104,280	788,479	71,892,759	73,273,464	1,380,705	66,240,253
Emergency Medical Services:						
Salaries and fringe benefits	13,055,379	140,186	13,195,565	14,887,178	1,691,613	13,425,519
Contractual services	1,823,298	(20,268)	1,803,030	1,823,387	20,357	2,045,561
Commodities	1,219,145	32,678	1,251,823	1,395,302	143,479	1,248,126
Expense refunds	(237,509)	3,585	(233,924)	(228,526)	5,398	(538,142)
Capital outlay	299,801	395,460	695,261	889,764	194,503	240,258
	16,160,114	551,641	16,711,755	18,767,105	2,055,350	16,421,322
Total public safety	\$ 210,280,836	2,413,882	212,694,718	217,975,633	5,280,915	190,347,117

(1) Includes adjustments for current year encumbrances, payments against prior year encumbrances, accrued payroll, compensated absences and amounts budgeted as operating transfers.

(continued)

**GENERAL FUND
SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL-BUDGET BASIS**

**CITY OF AUSTIN, TEXAS
Exhibit B-4
(Continued)**

Year ended September 30, 2001

With comparative totals for year ended September 30, 2000

			2001		Variance- Favorable (Unfavorable)	2000
	Actual	Adjustments (1)	Actual- Budget Basis	Budget		Actual- Budget Basis
Public services and utilities						
Public Works and Transportation:						
Salaries and fringe benefits	\$ 543,950	4,292	548,242	602,944	54,702	5,557,985
Contractual services	72,386	(9,142)	63,244	16,965	(46,279)	2,137,948
Commodities	56,462	(45,021)	11,441	20,725	9,284	1,878,422
Indirect cost	-	-	-	-	-	518,096
Expense refunds	(525,106)	-	(525,106)	(517,897)	7,209	(4,334,553)
Capital outlay	27,673	(27,673)	-	4,600	4,600	83,065
Street lighting	-	-	-	-	-	76,375
	<u>175,365</u>	<u>(77,544)</u>	<u>97,821</u>	<u>127,337</u>	<u>29,516</u>	<u>5,917,338</u>
Transportation, Planning and Sustainability:						
Salaries and fringe benefits	8,651,569	108,544	8,760,113	9,956,864	1,196,751	-
Contractual services	2,868,390	76,625	2,945,015	2,944,984	(31)	-
Commodities	2,078,286	47,585	2,125,871	1,259,376	(866,495)	-
Indirect cost	632,859	-	632,859	461,000	(171,859)	-
Expense refunds	(4,916,903)	-	(4,916,903)	(4,723,769)	193,134	-
Capital outlay	30,370	6,839	37,209	85,987	48,778	-
	<u>9,344,571</u>	<u>239,593</u>	<u>9,584,164</u>	<u>9,984,442</u>	<u>400,278</u>	<u>-</u>
Total public services and utilities	<u>9,519,936</u>	<u>162,049</u>	<u>9,681,985</u>	<u>10,111,779</u>	<u>429,794</u>	<u>5,917,338</u>
Public health						
Health and Human Services:						
Physician stipend/charity care	10,495,146	-	10,495,146	10,495,146	-	10,495,146
Medical Assistance Program - hospital contracted services/ patient services	6,085,832	-	6,085,832	6,108,237	22,405	5,797,713
Salaries and fringe benefits	16,179,616	208,707	16,388,323	16,053,970	(334,353)	15,859,788
Contractual services	22,883,194	53,341	22,936,535	22,999,837	63,302	17,386,550
Commodities	1,028,424	85,690	1,114,114	1,121,476	7,362	1,138,529
Expense refunds	(15,547,239)	-	(15,547,239)	(14,821,767)	725,472	(9,365,949)
Capital outlay	312,143	(150,276)	161,867	110,406	(51,461)	408,535
Other public health	24,856,138	197,462	25,053,600	25,463,922	410,322	25,427,453
Total public health	<u>\$ 41,437,116</u>	<u>197,462</u>	<u>41,634,578</u>	<u>42,067,305</u>	<u>432,727</u>	<u>41,720,312</u>

(1) Includes adjustments for current year encumbrances, payments against prior year encumbrances, accrued payroll, compensated absences and amounts budgeted as operating transfers

(continued)

**GENERAL FUND
SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL-BUDGET BASIS**

**CITY OF AUSTIN, TEXAS
Exhibit B-4
(Continued)**

Year ended September 30, 2001

With comparative totals for year ended September 30, 2000

	2001					2000
	Actual	Adjustments (1)	Actual- Budget Basis	Budget	Variance- Favorable (Unfavorable)	Actual- Budget Basis
Public recreation and culture						
Parks and Recreation:						
Salaries and fringe benefits	\$ 23,165,712	281,931	23,447,643	24,715,456	1,267,813	20,598,620
Contractual services	7,782,525	2,205	7,784,730	6,327,023	(1,457,707)	7,534,808
Commodities	2,259,935	(145,563)	2,114,372	2,217,183	102,811	2,482,538
Indirect cost	304,565	—	304,565	338,000	33,435	254,722
Expense refunds	(3,452,269)	—	(3,452,269)	(3,050,654)	401,615	(3,342,330)
Capital outlay	308,429	(15,868)	292,561	122,898	(169,663)	189,225
	<u>30,368,897</u>	<u>122,705</u>	<u>30,491,602</u>	<u>30,669,906</u>	<u>178,304</u>	<u>27,717,583</u>
Austin Public Library:						
Salaries and fringe benefits	12,988,246	188,211	13,176,457	12,979,708	(196,749)	11,518,338
Contractual services	2,367,372	22,240	2,389,612	2,234,619	(154,993)	2,480,870
Commodities	1,988,492	(5,973)	1,982,519	2,078,766	96,247	2,270,553
Expense refunds	(269,648)	—	(269,648)	(181,169)	88,479	(256,348)
Capital outlay	16,280	(2,859)	13,421	192,000	178,579	104,540
	<u>17,090,742</u>	<u>201,619</u>	<u>17,292,361</u>	<u>17,303,924</u>	<u>11,563</u>	<u>16,117,953</u>
Total public recreation and culture	<u>47,459,639</u>	<u>324,324</u>	<u>47,783,963</u>	<u>47,973,830</u>	<u>189,867</u>	<u>43,835,536</u>
Social services management	<u>8,071,026</u>	<u>(774,120)</u>	<u>7,296,906</u>	<u>8,517,380</u>	<u>1,220,474</u>	<u>10,132,129</u>
Nondepartmental expenditures (2)	<u>57,857,261</u>	<u>(48,849,422)</u>	<u>9,007,839</u>	<u>9,476,990</u>	<u>469,151</u>	<u>18,994,289</u>
Total expenditures	<u>395,620,783</u>	<u>(46,487,060)</u>	<u>349,133,723</u>	<u>358,908,797</u>	<u>9,775,074</u>	<u>330,379,338</u>
General fund expenditures						
Salaries	271,015,375	2,398,760	273,414,135	278,753,461	5,339,326	243,648,273
Contractuals	75,672,563	168,321	75,840,884	74,413,495	(1,427,389)	67,785,191
Commodities	12,788,146	(5,731)	12,782,415	13,102,847	320,432	13,165,268
Indirect cost	1,165,711	—	1,165,711	1,000,025	(165,686)	959,425
Expense refunds	(33,381,582)	(12,864)	(33,394,446)	(30,496,113)	2,898,333	(28,149,996)
Capital outlay	2,432,283	587,996	3,020,279	4,140,712	1,120,433	3,768,384
Street lighting	—	—	—	—	—	76,375
Social services management	8,071,026	(774,120)	7,296,906	8,517,380	1,220,474	10,132,129
Nondepartmental expenditures	57,857,261	(48,849,422)	9,007,839	9,476,990	469,151	18,994,289
Total expenditures	<u>\$ 395,620,783</u>	<u>(46,487,060)</u>	<u>349,133,723</u>	<u>358,908,797</u>	<u>9,775,074</u>	<u>330,379,338</u>

(1) Includes adjustments for current year encumbrances, payments against prior year encumbrances, accrued payroll, compensated absences and amounts budgeted as operating transfers or fund-level expenditures.

(2) Actual expenses include employee training costs and amounts budgeted as fund-level expenses or operating transfers. Actual-budget basis expenditures include employee training costs, budgeted payroll accrual, and amounts budgeted as fund-level expenditures.

**GENERAL FUND
SCHEDULE OF TRANSFERS -
BUDGET AND ACTUAL-BUDGET BASIS**

**CITY OF AUSTIN, TEXAS
Exhibit B-5**

Year ended September 30, 2001

With comparative totals for year ended September 30, 2000

	2001				Variance- Favorable (Unfavorable)	2000
	Actual	Adjustments (1)	Actual- Budget Basis	Budget		Actual- Budget Basis
Operating transfers in						
General fund:						
Emergency reserve	\$ --	2,658,310	2,658,310	2,658,310	--	--
Contingency reserve	--	3,496,594	3,496,594	3,496,594	--	2,943,527
Enterprise funds:						
Electric	67,283,000	50,000	67,333,000	66,518,000	815,000	61,200,000
Water and Wastewater	18,541,446	1,209,810	19,751,256	19,751,256	--	17,151,603
Parks and Recreation	458,516	--	458,516	458,516	--	--
Total operating transfers in	86,282,962	7,414,714	93,697,676	92,882,676	815,000	81,295,130
Operating transfers out						
General fund:						
Emergency reserve	--	--	--	--	--	1,230,641
Contingency reserve	--	3,248,125	3,248,125	3,248,125	--	2,735,822
Special revenue funds:						
Balcones Canyonlands Conservation Plan	160,000	--	160,000	160,000	--	160,000
Barton Springs Conservation Fee Waiver	45,000	--	45,000	45,000	--	45,000
Neighborhood Housing and Conservation	1,162,995	--	1,162,995	1,143,051	(19,944)	1,475,624
Planning, Environmental and Conservation Services	--	--	--	--	--	4,183,441
Strategic Planning Investment	--	--	--	--	--	1,504,813
Sustainability Fund	14,307,479	--	14,307,479	14,748,738	441,259	--
Tourism and Promotion	125,382	--	125,382	125,382	--	125,382
Voluntary Utility Assistance	152,000	--	152,000	152,000	--	160,000
Capital project funds	12,656,726	--	12,656,726	12,656,726	--	20,152,798
Enterprise funds:						
Electric	--	65,817	65,817	165,817	100,000	129,641
Solid Waste Services	1,084,354	--	1,084,354	1,084,354	--	353,020
Drainage	298,504	--	298,504	298,504	--	1,826,504
Internal service funds:						
Fleet Maintenance	--	3,918,075	3,918,075	3,918,075	--	6,962,371
Support Services	--	26,280,633	26,280,633	29,432,312	3,151,679	23,693,171
Information Systems	--	12,758,616	12,758,616	12,758,616	--	9,575,591
Employee Benefits	--	--	--	--	--	500,000
Radio Communication	--	244,894	244,894	244,894	--	--
Infrastructure Support Services	--	3,924,006	3,924,006	3,977,083	53,077	3,143,054
Capital Projects Management	--	1,515,723	1,515,723	1,515,723	--	1,578,919
Trust and agency funds:						
First Step - A Community Project	--	--	--	--	--	300,000
Housing Trust Social Equity	--	--	--	--	--	1,000,000
Total operating transfers out	29,992,440	51,955,889	81,948,329	85,674,400	3,726,071	80,842,792
Net transfers	\$ 56,290,522	(44,541,175)	11,749,347	7,208,276	4,541,071	452,338

(1) Includes adjustments to actual transfers required for adjusted budget basis presentation.





SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes. Included in the special revenue funds are:

- Federal grants funds;
- State grants funds;
- Other special revenue grants funds;
- Other special revenue funds - see next page for descriptions of the individual funds;
- Housing Assistance fund - provides housing assistance to the citizens of Austin.

Other Special Revenue Funds

Animal Shelter Building - Accounts for donations to improve the Townlake Animal Shelter.

APD Incident Management Fund - Established to account for funds from Capital Metro to the Austin Police Department to establish a traffic command center within the Austin Police Department

Austin Industrial Development Corporation (AIDC) - Accounts for the administrative costs related to the Corporation.

Austin Inner City Redevelopment Corporation - Accounts for the activity of this entity.

Austin Music Channel - Established as a program with Austin Music Channel Company to manage and promote Austin as "The Live Music Capital of the World."

Austin Transportation Study - Coordinates regional transportation planning.

Aviation Asset Forfeiture - Accounts for the redistribution of proceeds generated by airport police enforcement activities.

Balcones Canyonlands Conservation Plan (BCCP) - Accounts for the City's and County's management of preserve systems.

Barbara Jordan Memorial - Accounts for donations for a future memorial.

Barton Springs Conservation - Accounts for habitat conservation in Barton Springs.

Cable TV - Payments from the Austin Cablevision Company and disbursement to Austin Access Television

Campaign Financing - Accounts for donations and fees for the Austin Fair Campaign Ordinance.

Child Safety - Accounts for certain fines and fees used to provide school crossing guard programs at City schools.

COA Customer Assistance Fund - Accounts for funds donated to assist citizens with utility bills who are facing extreme emergencies.

Disproportionate Share - Proceeds used for improvements to the City's clinic system in order to serve patients

Downtown Development - Accounts for the relocation of music venue facilities.

EMS Travis County Reimbursed - Accounts for expenses incurred in providing for expended emergency medical services to the citizens of Travis County, located outside the City of Austin and the corresponding reimbursements from Travis County.

Energy Conservation Rebates and Incentives - Used for energy loans and rebates/ incentives to customers; funded primarily by Electric Fund.

Environmental Remediation - Accounts for remediation of sites which affect ground and surface water quality or public health and safety for which the City has either partial or total liability.

Federally Qualified Health Center - Accounts for services provided to City residents in the City's primary care health centers.

Fee Waiver - Accounts for funds provided to allow for payment of fees waived by Council through City Ordinance.

Fire Miscellaneous - Accounts for contributions for specified purposes and for "The Firehouse," a public safety awareness exhibit which is transported to different sites throughout Austin.

Fiscal Surety - Land Development - Escrow funds received from contractors for hydromulch/erosion control.

Friends of East Austin Youth - Accounts for donations from the Friends of East Austin Youth Golf Tournament to fund programs benefiting the youth of East Austin.

Health and Human Services Travis County Reimbursed - Accounts for expenses incurred by the City on behalf of Travis County and the corresponding reimbursement from Travis County for Health and Human Services and Federally Qualified Health Center programs.

Health Miscellaneous - Accounts for contributions for Strategic Intervention for High Risk Youth.

Hotel-Motel Occupancy Tax - Accounts for hotel/motel occupancy tax revenues and transfers of these revenues to participating funds.

Housing Miscellaneous - Accounts for donations to the Housing program to be used for specified purposes.

Leveraged Loan Pool - Used to leverage private capital and state or federal resources to stimulate business investments.

Library City Literacy Program - Accounts for fundraising efforts to help fund the City's Workplace Literacy Program.

Medicaid Administrative Claims - Holds additional Medicaid proceeds.

Municipal Court Building Security - Provides funding to enhance courthouse security.

Municipal Court Technology - Provides funding for technological enhancements to Municipal Court operations.

Music Loan Program - The City serves as the guarantor of loans made by banks to this program.

Neighborhood Housing and Conservation - Established in 1996 to lead economic development, affordable housing, and neighborhood revitalization efforts.

Office of Emergency Management Miscellaneous - Accounts for contributions for public safety awareness.

One Texas Center - Accounts for revenue and debt service requirements for the City's One Texas Center site.

PARD Cultural Projects - Records activities for cultural project purposes. Funded by a portion of bed tax receipts

PARD Police Asset Forfeitures - Accounts for the redistribution of proceeds generated by PARD police enforcement activities.

Pavement Life Recovery - Collection of fees associated with pavement life recovery costs.

Planning, Environmental Conservation Services - Accounts for energy and water conservation services and environmental protection activities.

Police Federal Seized Funds - Records all federal seized funds generated by police enforcement activities per State Code of Criminal Procedures (Chapter 59).

Police Seized Money - Accounts for the redistribution of proceeds generated by police enforcement activities.

Public Improvement District - Accounts for the downtown public improvement district, which will provide services, security, and improvements for the downtown Austin area.

Railroad Right of Way - Accounts for management of the Austin and Northwestern Railroad right of way.

RMD Conservation - Amounts contributed by the Electric Fund to be used for energy loans and rebates/incentives.

RMD Loan - Accounts for energy loans to customers.

Strategic Planning Investment - Accounts for costs related to managing and planning for growth by the City of Austin.

Subdivision Participation - Escrow account for funds received from contractors for construction and installation of streets, sidewalks, drainage facilities, etc.

Sustainability Fund - The Sustainability Fund was created to provide resources for on-time projects that will help the City build a sustainable economic, environmental and equitable infrastructure.

Telecommunity Partnership - Accounts for addressing training needs of the Austin community and will create opportunities for individuals through partnerships with local employers.

Tourism and Promotion - Accounts for the promotion of tourism in Austin as both a leisure and business destination. Funded by a portion of bed tax receipts.

Vehicle Rental Tax - Accounts for the levy of a short-term motor vehicle rental tax.

Voluntary Utility Assistance - Contributions for the benefit of indigent utility customers.

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

September 30, 2001

With comparative totals for September 30, 2000

CITY OF AUSTIN, TEXAS

Exhibit C-1

	Federal Grants	State Grants	Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	Totals 2001	2000
ASSETS							
Cash	\$ --	--	--	6,835	--	6,835	5,600
Pooled investments and cash	5,272,269	187,952	96,004	49,759,321	1,839,583	57,155,129	50,567,495
Investments, at fair value	--	--	--	--	903,585	903,585	858,311
Accounts receivable, net	--	--	--	11,819,267	1,721,990	13,541,257	15,793,314
Notes receivable, net	--	--	--	--	3,441,706	3,441,706	5,040,609
Receivables from other governments	9,449,247	932,616	95,231	--	--	10,477,094	14,307,025
Due from other funds	--	--	--	13,689,040	--	13,689,040	16,453,847
Inventories, at cost	--	--	--	259,336	--	259,336	--
Real property held for resale	--	--	--	--	4,290,745	4,290,745	1,923,982
Other assets	97,221	--	--	730,871	102,524	930,616	944,189
Total assets	14,818,737	1,120,568	191,235	76,264,670	12,300,133	104,695,343	105,894,372
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	1,485,154	104,455	534	2,491,771	608,257	4,690,171	4,148,748
Accrued payroll	--	--	--	268,918	--	268,918	208,173
Accrued compensated absences	--	--	--	192,714	--	192,714	145,962
Due to other funds	8,018,701	849,390	94,722	4,876,227	--	13,839,040	16,453,847
Deposits and other liabilities	5,314,882	166,723	95,979	36,951,921	3,492,752	46,022,257	40,796,015
Total liabilities	14,818,737	1,120,568	191,235	44,781,551	4,101,009	65,013,100	61,752,745
Fund balances:							
Reserved for encumbrances	--	--	--	3,276,115	--	3,276,115	4,096,365
Reserved for inventories	--	--	--	259,336	--	259,336	--
Reserved for notes receivable	--	--	--	--	3,441,706	3,441,706	5,040,609
Reserved for real property held for resale	--	--	--	--	4,290,745	4,290,745	1,923,982
Unreserved, designated for future use	--	--	--	28,781,050	466,673	29,247,723	33,760,268
Unreserved, undesignated	--	--	--	(833,382)	--	(833,382)	(679,597)
Total fund balances	--	--	--	31,483,119	8,199,124	39,682,243	44,141,627
Total liabilities and fund balances	\$ 14,818,737	1,120,568	191,235	76,264,670	12,300,133	104,695,343	105,894,372

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

CITY OF AUSTIN, TEXAS
Exhibit C-2

28

	Federal Grants	State Grants	Other Special Revenue Grants	Other Special Revenue Funds	Housing Assistance	Totals	
						2001	2000
REVENUES							
Intergovernmental:							
Grants	\$ 38,019,169	3,844,744	443,558	--	--	42,307,471	35,804,413
Other:							
Taxes	--	--	--	36,178,201	--	36,178,201	36,362,545
Fines, forfeitures and penalties	--	--	--	4,184,809	--	4,184,809	3,984,938
Charges for services/goods	--	--	--	22,836,690	--	22,836,690	31,469,731
Interest and other	--	--	--	12,863,935	9,212,644	22,076,579	7,366,232
Total revenues	38,019,169	3,844,744	443,558	76,063,635	9,212,644	127,583,750	114,987,859
EXPENDITURES							
Administration (1)	--	--	--	58,430,016	--	58,430,016	56,899,295
Special projects	38,019,169	3,844,744	443,558	--	11,324,603	53,632,074	39,230,221
Total expenditures	38,019,169	3,844,744	443,558	58,430,016	11,324,603	112,062,090	96,129,516
Excess (deficiency) of revenues over expenditures	--	--	--	17,633,619	(2,111,959)	15,521,660	18,858,343
OTHER FINANCING SOURCES (USES)							
Operating transfers in	--	--	--	39,320,803	--	39,320,803	24,216,617
Operating transfers out	--	--	--	(59,736,704)	--	(59,736,704)	(34,412,302)
Total other financing sources (uses)	--	--	--	(20,415,901)	--	(20,415,901)	(10,195,685)
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	--	--	(2,782,282)	(2,111,959)	(4,894,241)	8,662,658
Fund balances at beginning of year, as previously reported	--	--	--	24,759,889	10,311,083	35,070,972	28,062,160
Adjustment for a change in accounting principle	--	--	--	9,070,655	--	9,070,655	7,806,558
Fund balances at beginning of year, as restated	--	--	--	33,830,544	10,311,083	44,141,627	35,868,718
Residual equity transfers in (out)	--	--	--	434,857	--	434,857	(389,749)
Fund balances at end of year	\$ --	--	--	31,483,119	8,199,124	39,682,243	44,141,627

(1) Expenditures include capital outlay of \$668,248.

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE GRANTS

CITY OF AUSTIN, TEXAS
Exhibit C-3

September 30, 2001

With comparative totals for September 30, 2000

	Assets				Liabilities and Fund Balances					
	Pooled Investments and Cash	Receivables from Other Governments	Other Assets	Total Assets	Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Fund Balances	Total Liabilities and Fund Balances
FEDERAL GRANTS										
U.S. Department of Agriculture	\$ --	734,346	5,154	739,500	7,849	731,651	--	739,500	--	739,500
U.S. Department of Energy	--	--	--	--	--	--	--	--	--	--
Equal Employment Opportunity Commission	--	94,875	--	94,875	--	94,875	--	94,875	--	94,875
U.S. Department of Justice	338,076	591,873	--	929,949	104,529	577,020	248,400	929,949	--	929,949
U.S. Department of Labor	--	74	--	74	--	74	--	74	--	74
U.S. Department of Transportation	8,887	435,073	--	443,960	3,531	431,542	8,887	443,960	--	443,960
U.S. Federal Emergency Management	--	94,209	--	94,209	434	93,775	--	94,209	--	94,209
U.S. Health & Human Services	747,558	2,859,135	12,054	3,618,747	956,252	1,946,310	716,185	3,618,747	--	3,618,747
U.S. Housing/Urban Development	3,966,066	4,272,682	80,013	8,318,761	407,623	3,781,410	4,129,728	8,318,761	--	8,318,761
U.S. National Foundation on the Arts and Humanities	11,359	366,980	--	378,339	4,936	362,044	11,359	378,339	--	378,339
U.S. Department of Veterans Affairs	200,323	--	--	200,323	--	--	200,323	200,323	--	200,323
Total Federal Grants	5,272,269	9,449,247	97,221	14,818,737	1,485,154	8,018,701	5,314,882	14,818,737	--	14,818,737
STATE GRANTS										
Texas Governor's Office Criminal Justice Division	--	269,623	--	269,623	35,391	234,232	--	269,623	--	269,623
Texas Health Department	13,519	409,870	--	423,389	8,544	406,046	8,799	423,389	--	423,389
Texas Comptroller of Public Accounts	66,090	--	--	66,090	3,121	--	62,969	66,090	--	66,090
Texas Health and Human Services Commission	15,338	28,933	--	44,271	44,271	--	--	44,271	--	44,271
Telecommunications Infrastructure Fund Board	--	--	--	--	--	--	--	--	--	--
Texas Parks and Wildlife	3,015	4,158	--	7,173	499	3,659	3,015	7,173	--	7,173
Texas Department of Transportation	89,476	189,949	--	279,425	9,836	180,113	89,476	279,425	--	279,425
The University of Texas at Austin Center of Criminology	514	--	--	514	--	--	514	514	--	514
Texas State Library Archives Commission	--	15,849	--	15,849	--	15,849	--	15,849	--	15,849
State Energy Conservation Office	--	14,234	--	14,234	2,793	9,491	1,950	14,234	--	14,234
Texas Workforce Commission	--	--	--	--	--	--	--	--	--	--
Total State Grants	187,952	932,616	--	1,120,568	104,455	849,390	166,723	1,120,568	--	1,120,568
OTHER SPECIAL REVENUE GRANTS	96,004	95,231	--	191,235	534	94,722	95,979	191,235	--	191,235
Total All Grants	5,556,225	10,477,094	97,221	16,130,540	1,590,143	8,962,813	5,577,584	16,130,540	--	16,130,540
2000 Total	\$ 3,964,660	14,307,025	353,995	18,625,680	1,789,270	11,662,876	5,173,534	18,625,680	--	18,625,680

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE GRANTS
For year ended September 30, 2001
With comparative totals for year ended September 30, 2000

CITY OF AUSTIN, TEXAS
Exhibit C-4

	Revenues Inter- governmental	Expenditures Special Projects	Excess (Deficiency) Of Revenues Over Expenditures	Fund Balances September 30, 2000	Fund Balances September 30, 2001
FEDERAL GRANTS					
U.S. Department of Agriculture	\$ 3,035,389	3,035,389	--	--	--
U.S. Department of Energy	4,571	4,571	--	--	--
Equal Employment Opportunity Commission	169,500	169,500	--	--	--
U.S. Department of Justice	4,051,763	4,051,763	--	--	--
U.S. Department of Labor	274,532	274,532	--	--	--
U.S. Department of Transportation	2,405,575	2,405,575	--	--	--
U.S. Federal Emergency Management	210,138	210,138	--	--	--
U.S. Health & Human Services	9,702,828	9,702,828	--	--	--
U.S. Housing/Urban Development	16,889,626	16,889,626	--	--	--
U.S. National Foundation on the Arts and Humanities	1,275,240	1,275,240	--	--	--
U.S. Department of Veterans Affairs	7	7	--	--	--
Total Federal Grants	38,019,169	38,019,169	--	--	--
STATE GRANTS					
Texas Governor's Office Criminal Justice Division	498,950	498,950	--	--	--
Texas Health Department	1,952,574	1,952,574	--	--	--
Texas Comptroller of Public Accounts	78,836	78,836	--	--	--
Texas Health and Human Services Commission	173,827	173,827	--	--	--
Telecommunications Infrastructure Fund Board	148,100	148,100	--	--	--
Texas Parks and Wildlife	14,488	14,488	--	--	--
Texas Department of Transportation	959,547	959,547	--	--	--
The University of Texas at Austin Center of Criminology	475	475	--	--	--
Texas State Library and Archives Commission	16,413	16,413	--	--	--
State Energy Conservation Office	21,390	21,390	--	--	--
Texas Workforce Commission	(19,856)	(19,856)	--	--	--
Total State Grants	3,844,744	3,844,744	--	--	--
OTHER SPECIAL REVENUE GRANTS	443,558	443,558	--	--	--
Total All Grants	42,307,471	42,307,471	--	--	--
2000 Totals	\$ 35,804,413	35,804,413	--	--	--

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF EXPENDITURES - ALL SPECIAL REVENUE GRANTS
From Inception to September 30, 2001

CITY OF AUSTIN, TEXAS
Exhibit C-5

	Total Expenditures at September 30, 2000			Current Year		Total Expenditures at September 30, 2001			Budget		
	Grant	In-Kind Match	Total	Grant	In-Kind Match	Grant	In-Kind Match	Total	Grant	In-Kind Match	Total
FEDERAL GRANTS											
U.S. Department of Agriculture	\$ 2,659,210	218,190	2,877,400	3,035,389	(38,173)	5,694,599	180,017	5,874,616	5,688,606	--	5,688,606
U.S. Department of Energy Equal Employment Opportunity Commission	25,379	30,000	55,379	4,571	--	29,950	30,000	59,950	30,000	30,000	60,000
U.S. Department of Justice	150,450	--	150,450	169,500	--	319,950	--	319,950	336,200	--	336,200
U.S. Department of Labor	13,753,028	3,392,929	17,145,957	4,051,763	2,347,174	17,804,791	5,740,103	23,544,894	20,712,080	8,590,273	29,302,353
U.S. Department of Transportation	362,708	95,589	458,297	274,532	91,562	637,240	187,151	824,391	876,284	109,895	986,179
U.S. Federal Emergency Management	6,330,187	1,701,092	8,031,279	2,405,575	889,281	8,735,762	2,590,373	11,326,135	16,497,655	5,487,965	21,985,620
U.S. Health & Human Services	194,471	410,361	604,832	210,138	445,099	404,609	855,460	1,260,069	738,353	416,771	1,155,124
U.S. Housing/Urban Development	15,996,606	2,404,699	18,401,305	9,702,828	1,198,174	25,699,434	3,602,873	29,302,307	32,225,781	6,499,473	38,725,254
U.S. National Foundation on the Arts and Humanities	90,901,187	664,988	91,566,175	16,889,626	--	107,790,813	664,988	108,455,801	133,796,326	700,000	134,496,326
U.S. Department of Veterans Affairs	1,814,796	--	1,814,796	1,275,240	--	3,090,036	--	3,090,036	4,513,219	--	4,513,219
	153,766	--	153,766	7	--	153,773	--	153,773	338,836	--	338,836
Total Federal Grants	132,341,788	8,917,848	141,259,636	38,019,169	4,933,117	170,360,957	13,850,965	184,211,922	215,753,340	21,834,377	237,587,717
STATE GRANTS											
Texas Governor's Office Criminal Justice Division	691,964	228,970	920,934	498,950	122,560	1,190,914	351,530	1,542,444	1,927,277	496,840	2,424,117
Texas Health Department	2,446,830	--	2,446,830	1,952,574	--	4,399,404	--	4,399,404	5,793,654	--	5,793,654
Texas Comptroller of Public Accounts	362,415	--	362,415	78,836	--	441,251	--	441,251	497,931	--	497,931
Texas Health and Human Services Commission	--	--	--	173,827	--	173,827	--	173,827	206,992	--	206,992
Telecommunications Infrastructure Fund Board	218,787	3,680	222,467	148,100	60,000	366,887	63,680	430,567	1,540,726	142,435	1,683,161
Texas Parks and Wildlife	22,257	--	22,257	14,488	19,317	36,745	19,317	56,062	130,000	44,047	174,047
Texas Department of Transportation	1,728,058	640,445	2,368,503	959,547	513,575	2,687,605	1,154,020	3,841,625	3,864,826	1,885,725	5,750,551
The University of Texas at Austin Center of Criminology	9,061	--	9,061	475	--	9,536	--	9,536	10,000	--	10,000
Texas State Library and Archives Commission	--	--	--	16,413	13,659	16,413	13,659	30,072	17,727	13,659	31,386
State Energy Conservation Office	--	--	--	21,390	--	21,390	--	21,390	50,000	15,000	65,000
Texas Workforce Commission	19,856	8,547	28,403	(19,856)	--	--	8,547	8,547	25,000	8,333	33,333
Total State Grants	5,499,228	881,642	6,380,870	3,844,744	729,111	9,343,972	1,610,753	10,954,725	14,064,133	2,606,039	16,670,172
OTHER SPECIAL REVENUE GRANTS	417,462	24,935	442,397	443,558	--	861,020	24,935	885,955	1,449,288	39,600	1,488,888
Total All Grants	\$ 138,258,478	9,824,425	148,082,903	42,307,471	5,662,228	180,565,949	15,486,653	196,052,602	231,266,761	24,480,016	255,746,777

SPECIAL REVENUE FUNDS - ENTERPRISE RELATED
COMBINING BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000

CITY OF AUSTIN, TEXAS
Exhibit C-6

	Assets			Liabilities and Fund Balances				Total Liabilities and Fund Balances
	Pooled Investments and Cash	Receivables from Other Governments	Total Assets	Advanced Pooled Investments and Cash	Other Liabilities	Total Liabilities	Fund Balances	
ELECTRIC RELATED								
U.S. Department of Energy	\$ 159,141	23,237	182,378	23,237	159,141	182,378	--	182,378
American Public Power Association	--	--	--	--	--	--	--	--
ICLEI USA, Inc.	14,651	--	14,651	--	14,651	14,651	--	14,651
Total Electric	173,792	23,237	197,029	23,237	173,792	197,029	--	197,029
WATERWORKS AND SEWER RELATED								
U.S. Environmental Protection Agency	--	42,342	42,342	42,342	--	42,342	--	42,342
U.S. Fish and Wildlife	--	5,383	5,383	5,383	--	5,383	--	5,383
Total Waterworks and Sewer Related	--	47,725	47,725	47,725	--	47,725	--	47,725
SOLID WASTE RELATED								
U.S. Environmental Protection Agency	--	26,033	26,033	26,033	--	26,033	--	26,033
Total Solid Waste	--	26,033	26,033	26,033	--	26,033	--	26,033
AIRPORT RELATED								
U.S. Department of Transportation	--	584,287	584,287	584,287	--	584,287	--	584,287
Texas Comptroller of Public Accounts	13,728	--	13,728	--	13,728	13,728	--	13,728
Total Airport	13,728	584,287	598,015	584,287	13,728	598,015	--	598,015
DRAINAGE								
American Society of Civil Engineers	--	--	--	--	--	--	--	--
Total Drainage	--	--	--	--	--	--	--	--
Total grants, enterprise related	187,520	681,282	868,802	681,282	187,520	868,802	--	868,802
2000 Total	\$ 31,537	229,758	261,295	229,235	32,060	261,295	--	261,295

NOTE: These grants have been reported in the enterprise fund financial statements.

SPECIAL REVENUE FUNDS - ENTERPRISE RELATED
COMBINING SCHEDULE OF EXPENDITURES
From Inception to September 30, 2001

CITY OF AUSTIN, TEXAS
Exhibit C-7

	Total Expenditures at September 30, 2000			Current Year		Total Expenditures at September 30, 2001			Budget		
	Grant	In-Kind Match	Total	Grant	In-Kind Match	Grant	In-Kind Match	Total	Grant	In-Kind Match	Total
ELECTRIC RELATED											
U.S. Department of Energy	\$ 407,178	935,896	1,343,074	32,130	--	439,308	935,896	1,375,204	797,784	1,434,778	2,232,562
American Public Power Association	14,000	--	14,000	(14,000)	--	--	--	--	74,655	--	74,655
ICLEI USA, Inc.	349	--	349	6,000	--	6,349	--	6,349	42,000	35,000	77,000
Total Electric	421,527	935,896	1,357,423	24,130	--	445,657	935,896	1,381,553	914,439	1,469,778	2,384,217
WATERWORKS AND SEWER RELATED											
U.S. Environmental Protection Agency	975,428	--	975,428	7,249,293	--	8,224,721	--	8,224,721	10,055,000	--	10,055,000
U.S. Fish and Wildlife	--	--	--	5,383	--	5,383	--	5,383	25,000	--	25,000
Total Waterworks and Sewer Related	975,428	--	975,428	7,254,676	--	8,230,104	--	8,230,104	10,080,000	--	10,080,000
SOLID WASTE RELATED											
U.S. Environmental Protection Agency	109,314	--	109,314	72,407	--	181,721	--	181,721	700,000	--	700,000
Total Solid Waste	109,314	--	109,314	72,407	--	181,721	--	181,721	700,000	--	700,000
AIRPORT RELATED											
U.S. Department of Transportation	2,750,000	916,666	3,666,666	9,413,159	3,137,723	12,163,159	4,054,389	16,217,548	27,317,635	8,697,545	36,015,180
Texas Comptroller of Public Accounts	3,950	--	3,950	1,270	--	5,220	--	5,220	7,728	--	7,728
Total Airport	2,753,950	916,666	3,670,616	9,414,429	3,137,723	12,168,379	4,054,389	16,222,768	27,325,363	8,697,545	36,022,908
DRAINAGE											
American Society of Civil Engineers	12,514	--	12,514	--	--	12,514	--	12,514	12,520	--	12,520
Total Drainage	12,514	--	12,514	--	--	12,514	--	12,514	12,520	--	12,520
Total grants, enterprise related	\$4,272,733	1,852,562	6,125,295	16,765,642	3,137,723	21,038,375	4,990,285	26,028,660	39,032,322	10,167,323	49,199,645

NOTE: These grants have been reported in the enterprise fund financial statements.

SPECIAL REVENUE FUNDS - OTHER
COMBINING BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000

	Assets						
	Cash	Pooled Investments and Cash	Net Accounts Receivable	Due from Other Funds	Inventories at cost	Other Assets	Total Assets
Animal Shelter Building	\$ --	11,297	--	--	--	--	11,297
APD Incident Management	--	367,807	--	--	--	--	367,807
Austin Industrial Development Corporation (AIDC)	--	141,407	--	--	--	--	141,407
Austin Inner City Redevelopment Corporation	--	1,428	--	--	--	--	1,428
Austin Music Channel	--	2,054	--	--	--	--	2,054
Austin Transportation Study	--	--	867,021	--	--	--	867,021
Aviation Asset Forfeiture	--	229,700	--	--	--	--	229,700
Balcones Canyonlands Conservation Plan (BCCP)	--	1,724,181	--	--	--	--	1,724,181
Barbara Jordan Memorial	--	1,344	--	--	--	--	1,344
Barton Springs Conservation	--	156,394	--	--	--	--	156,394
Cable TV	--	224,129	--	--	--	--	224,129
Campaign Financing	--	18,872	--	--	--	58,249	77,121
Child Safety	--	327,974	--	--	--	1,346	329,320
COA Customer Assistance	--	941	--	150,000	--	--	150,941
Disproportionate Share	--	208,201	--	--	--	--	208,201
Downtown Development	--	175,084	--	--	--	--	175,084
EMS Travis County Reimbursed	--	--	475,984	--	--	--	475,984
Energy Conservation Rebates and Incentives	--	3,889,528	--	--	--	--	3,889,528
Environmental Remediation	--	1,923,739	--	--	--	--	1,923,739
Federally Qualified Health Center	2,235	2,775,501	155,608	--	259,336	638	3,193,318
Fee Waiver	--	23,754	--	--	--	--	23,754
Fire Miscellaneous	--	12,535	--	--	--	--	12,535
Fiscal Surety - Land Development	--	21,646,176	--	13,539,040	--	--	35,185,216
Friends of East Austin Youth	--	9,829	--	--	--	--	9,829
Health and Human Services Travis County Reimbursed	--	--	3,110,673	--	--	1,505	3,112,178
Health Miscellaneous	--	198,483	--	--	--	--	198,483
Hotel-Motel Occupancy Tax	--	145,136	5,831,220	--	--	--	5,976,356
Housing Miscellaneous	--	39,169	--	--	--	--	39,169
Leveraged Loan Pool	--	342,695	--	--	--	121,490	464,185
Library City Literacy Program	--	2,695	--	--	--	--	2,695
Medicaid Administrative Claims	--	757,304	--	--	--	--	757,304
Municipal Court Building Security	--	377,869	--	--	--	--	377,869
Municipal Court Technology	--	839,511	--	--	--	--	839,511
Music Loan Program	--	229,471	--	--	--	--	229,471
Neighborhood Housing and Conservation	500	1,464,969	--	--	--	--	1,465,469
Office of Emergency Management Miscellaneous	--	14,481	--	--	--	--	14,481
One Texas Center	--	--	--	--	--	--	--
PARD Cultural Projects	--	1,047,200	--	--	--	--	1,047,200
PARD Police Asset Forfeitures	--	10,523	--	--	--	--	10,523
Pavement Life Recovery	--	401,073	44,347	--	--	--	445,420
Planning, Environmental Conservation Services	--	235,663	--	--	--	--	235,663
Police Federal Seized Funds	4,100	395,961	--	--	--	--	400,061
Police Seized Money	--	226,319	--	--	--	--	226,319
Public Improvement District	--	883,750	83,132	--	--	--	966,882
Railroad Right of Way	--	5,081	--	--	--	--	5,081
RMD Conservation	--	97,421	--	--	--	--	97,421
RMD Loan	--	851,674	--	--	--	117,633	969,307
Strategic Planning Investment	--	345,980	--	--	--	--	345,980
Subdivision Participation	--	4,170,908	--	--	--	--	4,170,908
Sustainability	--	599,558	--	--	--	5,410	604,968
Telecommunity Partnership	--	12,202	--	--	--	--	12,202
Tourism and Promotion	--	944,636	--	--	--	424,600	1,369,236
Vehicle Rental Tax	--	1,157,232	1,251,282	--	--	--	2,408,514
Voluntary Utility Assistance	--	90,482	--	--	--	--	90,482
2001 Total	6,835	49,759,321	11,819,267	13,689,040	259,336	730,871	76,264,670
2000 Total	\$ 5,600	44,940,100	14,256,509	16,453,847	--	487,670	76,143,726

CITY OF AUSTIN, TEXAS

Exhibit C-8

Liabilities						Fund Balances					Total Liabilities and Fund Balances
Accounts Payable	Accrued Payroll	Accrued Compen- sated Absences	Due to Other Funds	Deposits and Other Liabilities	Total Liabilities	Reserved for Encum- brances	Reserved for Inven- tories	Unreserved Designated	Unresig- nated	Total Fund Balances	
--	--	--	--	--	--	--	--	11,297	--	11,297	11,297
--	--	--	--	--	--	--	--	367,807	--	367,807	367,807
--	--	--	--	--	--	--	--	141,407	--	141,407	141,407
--	--	--	--	--	--	--	--	1,428	--	1,428	1,428
--	--	--	--	--	--	--	--	2,044	--	2,044	2,054
10	--	--	--	--	10	--	--	--	--	--	--
39,123	--	--	975,148	--	1,014,271	30	--	--	(147,280)	(147,250)	867,021
10,594	--	--	--	--	10,594	14,715	--	204,391	--	219,106	229,700
10,391	9,533	20,727	--	33,500	74,151	7,988	--	1,642,042	--	1,650,030	1,724,181
--	--	--	--	--	--	--	--	1,344	--	1,344	1,344
--	--	--	--	--	--	--	--	156,394	--	156,394	156,394
--	--	--	--	--	--	--	--	224,129	--	224,129	224,129
--	--	--	--	72,642	72,642	--	--	4,479	--	4,479	77,121
2,198	8,881	--	--	258	11,337	30,859	--	287,124	--	317,983	329,320
--	--	--	150,000	--	150,000	--	--	941	--	941	150,941
378	--	--	--	--	378	207,823	--	--	--	207,823	208,201
--	--	--	--	--	--	--	--	175,084	--	175,084	175,084
56,088	--	11,900	212,969	--	280,957	43,255	--	151,772	--	195,027	475,984
380,333	--	--	--	--	380,333	848,137	--	2,661,058	--	3,509,195	3,889,528
--	--	--	--	49,572	49,572	--	--	1,874,167	--	1,874,167	1,923,739
734,759	244,323	105,051	--	--	1,084,133	207,071	259,336	1,642,778	--	2,109,185	3,193,318
--	--	--	--	--	--	--	--	23,754	--	23,754	23,754
500	--	--	--	3,208	3,708	344	--	8,483	--	8,827	12,535
449,388	--	--	--	34,258,878	34,708,266	--	--	476,950	--	476,950	35,185,216
--	--	--	--	--	--	--	--	9,829	--	9,829	9,829
80,820	--	8,284	2,832,755	--	2,921,859	136,245	--	54,074	--	190,319	3,112,178
1,369	--	--	--	169,722	171,091	--	--	27,392	--	27,392	198,483
--	--	--	--	145,136	145,136	--	--	5,831,220	--	5,831,220	5,976,356
--	--	--	--	--	--	--	--	39,169	--	39,169	39,169
--	--	--	--	--	--	--	--	464,185	--	464,185	464,185
--	--	--	--	--	--	--	--	2,695	--	2,695	2,695
--	--	--	--	715,490	715,490	--	--	41,814	--	41,814	757,304
9,370	4,598	--	--	--	13,968	2,149	--	361,752	--	363,901	377,869
--	--	--	--	--	--	--	--	839,511	--	839,511	839,511
--	--	--	--	--	--	--	--	229,471	--	229,471	229,471
4,103	1,583	46,752	--	40,199	92,637	70,355	--	1,302,477	--	1,372,832	1,465,469
150	--	--	--	--	150	--	--	14,331	--	14,331	14,481
--	--	--	555,355	--	555,355	--	--	--	(555,355)	(555,355)	--
44,093	--	--	--	--	44,093	284,600	--	718,507	--	1,003,107	1,047,200
--	--	--	--	--	--	--	--	10,523	--	10,523	10,523
--	--	--	--	--	--	--	--	445,420	--	445,420	445,420
47,687	--	--	--	--	47,687	193,919	--	--	(5,943)	187,976	235,663
19,921	--	--	--	--	19,921	3,699	--	376,441	--	380,140	400,061
13,646	--	--	--	--	13,646	--	--	212,673	--	212,673	226,319
--	--	--	--	--	--	723,261	--	243,621	--	966,882	966,882
--	--	--	--	--	--	--	--	5,081	--	5,081	5,081
--	--	--	--	--	--	--	--	97,421	--	97,421	97,421
119,188	--	--	--	--	119,188	--	--	850,119	--	850,119	969,307
--	--	--	--	23,961	23,961	18,709	--	303,310	--	322,019	345,980
--	--	--	--	1,439,355	1,439,355	--	--	2,731,553	--	2,731,553	4,170,908
327,530	--	--	--	--	327,530	342,724	--	--	(65,286)	277,438	604,968
--	--	--	--	--	--	--	--	12,202	--	12,202	12,202
140,132	--	--	--	--	140,132	140,232	--	1,088,872	--	1,229,104	1,369,236
--	--	--	--	--	--	--	--	2,408,514	--	2,408,514	2,408,514
--	--	--	150,000	--	150,000	--	--	--	(59,518)	(59,518)	90,482
2,491,771	268,918	192,714	4,876,227	36,951,921	44,781,551	3,276,115	259,336	28,781,050	(833,382)	31,483,119	76,264,670
2,227,982	208,173	145,962	4,790,971	34,940,094	42,313,182	4,096,365	--	30,413,776	(679,597)	33,830,544	76,143,726

SPECIAL REVENUE FUNDS - OTHER
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For year ended September 30, 2001
With comparative totals for year ended September 30, 2000

	Revenues					Expenditures (1)
	Taxes	Fines, Forfeitures and Penalties	Charges for Services/ Goods	Interest and Other	Total Revenues	
Animal Shelter Building	\$	--	--	554	554	--
APD Incident Management	--	--	--	--	--	132,193
Austin Industrial Development Corporation (AIDC)	--	--	--	6,938	6,938	--
Austin Inner City Redevelopment Corporation	--	--	--	70	70	--
Austin Music Channel	--	--	--	78	78	--
Austin Transportation Study	--	--	1,239,103	--	1,239,103	1,239,302
Aviation Asset Forfeiture	--	15,727	--	19,832	35,559	259,232
Balcones Canyonlands Conservation Plan (BCCP)	--	1,190,434	--	65,384	1,255,818	852,635
Barbara Jordan Memorial	--	--	--	66	66	--
Barton Springs Conservation	--	--	--	6,467	6,467	--
Cable TV	--	--	653,018	5,641	658,659	577,500
Campaign Financing	--	--	--	506	506	--
Child Safety	--	1,418,023	--	21,144	1,439,167	1,565,039
COA Customer Assistance	--	--	--	941	941	--
Disproportionate Share	--	--	--	--	--	176,191
Downtown Development	--	--	--	8,885	8,885	9,672
EMS Travis County Reimbursed	--	--	6,089,034	--	6,089,034	6,124,326
Energy Conservation Rebates and Incentives	--	--	--	8,576,259	8,576,259	7,795,381
Environmental Remediation	--	--	--	72,258	72,258	7,052
Federally Qualified Health Center	--	--	8,285,339	2,317,824	10,603,163	18,152,533
Fee Waiver	--	--	--	1,166	1,166	--
Fire Miscellaneous	--	--	2,075	544	2,619	6,977
Fiscal Surety - Land Development	--	--	--	645,144	645,144	--
Friends of East Austin Youth	--	--	--	--	--	--
Health and Human Services Travis County Reimbursed	--	--	4,326,404	--	4,326,404	4,278,057
Health Miscellaneous	--	--	--	9,575	9,575	--
Hotel-Motel Occupancy Tax	29,344,429	27,670	--	--	29,372,099	--
Housing Miscellaneous	--	--	--	1,922	1,922	--
Leveraged Loan Pool	--	--	--	16,200	16,200	59,751
Library City Literacy Program	--	--	--	132	132	--
Medicaid Administrative Claims	--	--	--	34,725	34,725	--
Municipal Court Building Security	--	459,541	--	15,723	475,264	376,504
Municipal Court Technology	--	560,460	--	32,644	593,104	234,814
Music Loan Program	--	--	--	229,471	229,471	--
Neighborhood Housing and Conservation	--	--	--	123,237	123,237	2,129,005
Office of Emergency Management Miscellaneous	--	--	3,000	1,009	4,009	17,235
One Texas Center	--	--	2,222,959	--	2,222,959	--
PARD Cultural Projects	--	--	--	70,201	70,201	3,644,305
PARD Police Asset Forfeitures	--	--	--	516	516	--
Pavement Life Recovery	--	234,700	--	14,103	248,803	--
Planning, Environmental Conservation Services	--	--	--	--	--	258,626
Police Federal Seized Funds	--	180,913	--	14,320	195,233	158,933
Police Seized Money	--	97,341	--	18,571	115,912	27,157
Public Improvement District	1,322,445	--	--	64,646	1,387,091	1,323,637
Railroad Right of Way	--	--	--	249	249	--
RMD Conservation	--	--	--	--	--	--
RMD Loan	--	--	--	70	70	--
Strategic Planning Investment	--	--	--	--	--	278,512
Subdivision Participation	--	--	--	204,642	204,642	--
Sustainability	--	--	--	--	--	2,911,729
Telecommunity Partnership	--	--	--	599	599	--
Tourism and Promotion	--	--	--	62,910	62,910	5,354,777
Vehicle Rental Tax	5,511,327	--	--	185,890	5,697,217	--
Voluntary Utility Assistance	--	--	15,758	12,879	28,637	478,941
2001 Total	36,178,201	4,184,809	22,836,690	12,863,935	76,063,635	58,430,016
2000 Total	\$36,362,545	3,984,938	31,469,731	1,363,185	73,180,399	56,899,295

(1) Expenditures include capital outlay of \$668,248.

(2) See Note 2

CITY OF AUSTIN, TEXAS
Exhibit C-9

Other Financing Sources (Uses)		Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	Fund Balances September 30, 2000, as previously reported	Adjustment for change in accounting principle(2)	Fund Balances September 30, 2000, as Restated	Residual Equity Transfers In (Out)	Fund Balances September 30, 2001
Operating Transfers In	Operating Transfers Out						
-	-	554	10,743	-	10,743	-	11,297
-	-	(132,193)	-	-	-	500,000	367,807
-	-	6,938	134,469	-	134,469	-	141,407
-	-	70	1,358	-	1,358	-	1,428
-	-	78	1,966	-	1,966	-	2,044
-	-	(199)	(147,051)	-	(147,051)	-	(147,250)
-	-	(223,673)	442,779	-	442,779	-	219,106
630,015	-	1,033,198	616,832	-	616,832	-	1,650,030
-	-	66	1,278	-	1,278	-	1,344
45,000	-	51,467	104,927	-	104,927	-	156,394
-	-	81,159	142,970	-	142,970	-	224,129
-	-	506	3,973	-	3,973	-	4,479
-	-	(125,872)	443,855	-	443,855	-	317,983
-	-	941	-	-	-	-	941
-	-	(176,191)	449,157	-	449,157	(65,143)	207,823
-	-	(787)	175,871	-	175,871	-	175,084
-	-	(35,292)	230,319	-	230,319	-	195,027
-	-	780,878	2,728,317	-	2,728,317	-	3,509,195
1,925,000	(868,000)	1,122,206	751,961	-	751,961	-	1,874,167
8,650,018	-	1,100,648	1,008,537	-	1,008,537	-	2,109,185
-	-	1,166	22,588	-	22,588	-	23,754
-	-	(4,358)	13,185	-	13,185	-	8,827
-	-	645,144	(168,194)	-	(168,194)	-	476,950
-	-	-	9,829	-	9,829	-	9,829
-	-	48,347	141,972	-	141,972	-	190,319
-	-	9,575	17,817	-	17,817	-	27,392
-	(31,144,551)	(1,772,452)	-	7,603,672	7,603,672	-	5,831,220
-	-	1,922	37,247	-	37,247	-	39,169
-	-	(43,551)	507,736	-	507,736	-	464,185
-	-	132	2,563	-	2,563	-	2,695
-	-	34,725	7,089	-	7,089	-	41,814
-	-	98,760	265,141	-	265,141	-	363,901
-	-	358,290	481,221	-	481,221	-	839,511
-	-	229,471	-	-	-	-	229,471
1,562,994	(362,464)	(805,238)	2,178,070	-	2,178,070	-	1,372,832
-	-	(13,226)	27,557	-	27,557	-	14,331
-	(2,416,538)	(193,579)	(361,776)	-	(361,776)	-	(555,355)
3,634,952	-	60,848	942,259	-	942,259	-	1,003,107
-	-	516	10,007	-	10,007	-	10,523
-	-	248,803	196,617	-	196,617	-	445,420
-	-	(258,626)	446,602	-	446,602	-	187,976
-	-	36,300	343,840	-	343,840	-	380,140
-	-	88,755	123,918	-	123,918	-	212,673
150,000	-	213,454	753,428	-	753,428	-	966,882
-	-	249	4,832	-	4,832	-	5,081
-	-	-	97,421	-	97,421	-	97,421
-	-	70	850,049	-	850,049	-	850,119
-	-	(278,512)	600,531	-	600,531	-	322,019
-	-	204,642	2,526,911	-	2,526,911	-	2,731,553
17,424,167	(14,235,000)	277,438	-	-	-	-	277,438
-	-	599	11,603	-	11,603	-	12,202
5,146,657	-	(145,210)	1,374,314	-	1,374,314	-	1,229,104
-	(10,710,151)	(5,012,934)	5,954,465	1,466,983	7,421,448	-	2,408,514
152,000	-	(298,304)	238,786	-	238,786	-	(59,518)
39,320,803	(59,736,704)	(2,782,282)	24,759,889	9,070,655	33,830,544	434,857	31,483,119
24,216,617	(34,412,302)	6,085,419	20,328,316	7,806,558	28,134,874	(389,749)	33,830,544

SPECIAL REVENUE FUNDS - OTHER
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS -
BUDGET AND ACTUAL-BUDGET BASIS
Year ended September 30, 2001

CITY OF AUSTIN, TEXAS
Exhibit C-10

		Fund Balances September 30, 2000	Revenues	Expenditures	Operating Transfer In	Operating Transfer Out	Excess of Sources Over Uses	Fund Balances September 30, 2001
Aviation Asset Forfeiture								
Actual budget basis	\$	435,790	35,559	269,152	--	--	(233,593)	202,197
Budget		71,644	129,000	361,700	--	--	(232,700)	(161,056)
Variance		364,146	(93,441)	92,548	--	--	(893)	363,253
Balcones Canyonlands Conservation Plan (BCCP)								
Actual budget basis		576,701	1,255,818	806,723	630,015	--	1,079,110	1,655,811
Budget		34,035	8,280	616,425	630,015	--	21,870	55,905
Variance		542,666	1,247,538	(190,298)	--	--	1,057,240	1,599,906
Child Safety								
Actual budget basis		371,561	1,439,167	1,519,755	--	71,709	(152,297)	219,264
Budget		20,582	1,529,270	1,694,191	--	71,709	(236,630)	(216,048)
Variance		350,979	(90,103)	174,436	--	--	84,333	435,312
Disproportionate Share								
Actual budget basis		(127,686)	--	(63,750)	--	--	63,750	(63,936)
Budget		(5,687)	--	--	--	--	--	(5,687)
Variance		(121,999)	--	63,750	--	--	63,750	(58,249)
EMS Travis County Reimbursed								
Actual budget basis		170,732	6,089,034	6,093,358	--	--	(4,324)	166,408
Budget		--	6,123,327	6,123,327	--	--	--	--
Variance		170,732	(34,293)	29,969	--	--	(4,324)	166,408
Energy Conservation Rebates and Incentives								
Actual budget basis		970,073	8,576,259	7,859,624	--	--	716,635	1,686,708
Budget		809,774	8,973,500	8,973,500	--	--	--	809,774
Variance		160,299	(397,241)	1,113,876	--	--	716,635	876,934
Environmental Remediation								
Actual budget basis	\$	748,065	72,258	7,052	1,925,000	868,000	1,122,206	1,870,271
Budget		616,324	20,000	50,000	1,950,000	868,000	1,052,000	1,668,324
Variance		131,741	52,258	42,948	(25,000)	--	70,206	201,947

(continued)

SPECIAL REVENUE FUNDS - OTHER
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS -
BUDGET AND ACTUAL-BUDGET BASIS
Year ended September 30, 2001

CITY OF AUSTIN, TEXAS
Exhibit C-10
(Continued)

	Fund Balances September 30, 2000	Revenues	Expenditures	Operating Transfer In	Operating Transfer Out	Excess of Sources Over Uses	Fund Balances September 30, 2001
Federally Qualified Health Center							
Actual budget basis	\$ 548,129	10,603,163	18,370,658	8,650,018	763,252	119,271	667,400
Budget	488,947	9,938,720	16,919,151	8,650,018	763,252	906,335	1,395,282
Variance	59,182	664,443	(1,451,507)	--	--	(787,064)	(727,882)
Fee Waiver							
Actual budget basis	22,588	1,166	--	--	--	1,166	23,754
Budget	(7,450)	--	22,481	--	--	(22,481)	(29,931)
Variance	30,038	1,166	22,481	--	--	23,647	53,685
Health and Human Services Travis							
County Reimbursed							
Actual budget basis	(163,887)	4,326,404	4,351,789	--	--	(25,385)	(189,272)
Budget	187,831	5,508,898	5,508,898	--	--	--	187,831
Variance	(351,718)	(1,182,494)	1,157,109	--	--	(25,385)	(377,103)
Hotel-Motel Occupancy Tax							
Actual budget basis	--	31,144,551	--	--	31,144,551	--	--
Budget	--	28,925,000	--	--	28,925,000	--	--
Variance	--	2,219,551	--	--	(2,219,551)	--	--
Municipal Court Building Security							
Actual budget basis	212,454	475,264	366,989	--	--	108,275	320,729
Budget	51,082	448,290	438,883	--	--	9,407	60,489
Variance	161,372	26,974	71,894	--	--	98,868	260,240
Municipal Court Technology							
Actual budget basis	481,221	593,104	234,814	--	--	358,290	839,511
Budget	96,843	442,864	425,000	--	--	17,864	114,707
Variance	384,378	150,240	190,186	--	--	340,426	724,804
Neighborhood Housing and Conservation							
Actual budget basis	1,982,670	123,237	1,641,990	1,562,994	862,464	(818,223)	1,164,447
Budget	1,503,731	96,483	2,007,462	1,643,051	862,464	(1,130,392)	373,339
Variance	478,939	26,754	365,472	(80,057)	--	312,169	791,108
One Texas Center							
Actual budget basis	\$ (361,776)	2,222,959	--	--	2,416,538	(193,579)	(555,355)
Budget	(334,670)	2,237,021	--	--	2,416,538	(179,517)	(514,187)
Variance	(27,106)	(14,062)	--	--	--	(14,062)	(41,168)

(continued)

SPECIAL REVENUE FUNDS - OTHER
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS -
BUDGET AND ACTUAL-BUDGET BASIS
Year ended September 30, 2001

CITY OF AUSTIN, TEXAS
Exhibit C-10
(Continued)

	Fund Balances September 30, 2000	Revenues	Expenditures	Operating Transfer In	Operating Transfer Out	Excess of Sources Over Uses	Fund Balances September 30, 2001
PARD Cultural Projects							
Actual budget basis	\$ 592,948	70,201	3,726,834	3,634,952	--	(21,681)	571,267
Budget	172,730	--	3,772,332	3,379,917	--	(392,415)	(219,685)
Variance	420,218	70,201	45,498	255,035	--	370,734	790,952
PARD Police Asset Forfeiture							
Actual budget basis	10,007	516	--	--	--	516	10,523
Budget	9,652	--	9,652	--	--	(9,652)	--
Variance	355	516	9,652	--	--	10,168	10,523
Police Federal Seized Funds							
Actual budget basis	320,779	195,233	217,271	--	--	(22,038)	298,741
Budget	(288,416)	375,000	471,600	--	--	(96,600)	(385,016)
Variance	609,195	(179,767)	254,329	--	--	74,562	683,757
Police Seized Money							
Actual budget basis	112,391	115,912	25,336	--	--	90,576	202,967
Budget	44,723	45,000	80,000	--	--	(35,000)	9,723
Variance	67,668	70,912	54,664	--	--	125,576	193,244
Public Improvement District							
Actual budget basis	153,051	1,387,091	1,446,521	150,000	--	90,570	243,621
Budget	233,972	1,396,521	1,446,521	150,000	--	100,000	333,972
Variance	(80,921)	(9,430)	--	--	--	(9,430)	(90,351)
Strategic Planning Investment							
Actual budget basis	53,936	--	--	--	--	--	53,936
Budget	(650,000)	--	--	--	--	--	(650,000)
Variance	703,936	--	--	--	--	--	703,936
Sustainability							
Actual budget basis	--	--	3,204,592	17,424,167	14,235,000	(15,425)	(15,425)
Budget	--	--	3,630,426	17,865,426	14,235,000	--	--
Variance	--	--	425,834	(441,259)	--	(15,425)	(15,425)
Telecommunity Partnership							
Actual budget basis	\$ 11,600	599	--	--	--	599	12,199
Budget	3,452	--	--	--	--	--	3,452
Variance	8,148	599	--	--	--	599	8,747

(continued)

SPECIAL REVENUE FUNDS - OTHER
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS -
BUDGET AND ACTUAL-BUDGET BASIS
Year ended September 30, 2001

CITY OF AUSTIN, TEXAS
Exhibit C-10
(Continued)

	Fund Balances September 30, 2000	Revenues	Expenditures	Operating Transfer In	Operating Transfer Out	Excess of Sources Over Uses	Fund Balances September 30, 2001
Tourism and Promotion							
Actual budget basis	\$ 1,389,719	62,910	5,354,777	5,146,657	--	(145,210)	1,244,509
Budget	564,257	65,000	5,354,777	4,792,886	--	(496,891)	67,366
Variance	825,462	(2,090)	--	353,771	--	351,681	1,177,143
Vehicle Rental Tax							
Actual budget basis	3,764,094	5,912,918	--	--	10,710,151	(4,797,233)	(1,033,139)
Budget	1,997,742	4,691,250	--	--	10,710,206	(6,018,956)	(4,021,214)
Variance	1,766,352	1,221,668	--	--	55	1,221,723	2,988,075
Total							
Actual budget basis	\$ 12,275,160	74,703,323	55,433,485	39,123,803	61,071,665	(2,678,024)	9,597,136
Budget	5,621,098	70,953,424	57,906,326	39,061,313	58,852,169	(6,743,758)	(1,122,660)
Variance	6,654,062	3,749,899	2,472,841	62,490	(2,219,496)	4,065,734	10,719,796





DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt. The two debt service funds are as follows:

The General Obligation Debt Service Fund – used for payments of principal, interest and related costs of general obligation and other tax-supported debt;

The Section 108 Loans Fund - used to account for HUD loans for construction costs.

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
September 30, 2001

CITY OF AUSTIN, TEXAS
Exhibit D-1

With comparative totals for September 30, 2000

	General	HUD	Totals	
	Obligation	Section	2001	2000
		108 Loans		
ASSETS				
Cash	\$ --	246	246	246
Investments, at fair value	16,344,051	--	16,344,051	9,602,866
Property taxes receivable	3,752,665	--	3,752,665	3,839,236
Less allowance for uncollectible taxes	(680,655)	--	(680,655)	(688,939)
Net taxes receivable	3,072,010	--	3,072,010	3,150,297
Due from other funds	--	--	--	13,229
Total assets	19,416,061	246	19,416,307	12,766,638
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred revenue	2,949,177	--	2,949,177	3,009,934
Total liabilities	2,949,177	--	2,949,177	3,009,934
Fund balances (unreserved)				
Designated for debt service	16,466,884	246	16,467,130	9,756,704
Total fund balances	16,466,884	246	16,467,130	9,756,704
Total liabilities and fund balances	\$ 19,416,061	246	19,416,307	12,766,638

**DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES**

**CITY OF AUSTIN, TEXAS
Exhibit D-2**

Year ended September 30, 2001

With comparative totals for year ended September 30, 2000

	General Obligation	HUD Section 108 Loans	Totals	
			2001	2000
REVENUES				
General property taxes	\$ 68,639,520	—	68,639,520	64,960,513
Interest	2,216,053	—	2,216,053	2,545,511
Other revenue	326,371	559,398	885,769	620,439
Total revenues	71,181,944	559,398	71,741,342	68,126,463
EXPENDITURES				
Principal retirement	44,070,106	480,000	44,550,106	27,220,117
Interest and other	29,839,635	441,862	30,281,497	42,450,477
Fees and commissions	13,962	—	13,962	10,105
Total expenditures	73,923,703	921,862	74,845,565	69,680,699
Excess (deficiency) of revenues over expenditures	(2,741,759)	(362,464)	(3,104,223)	(1,554,236)
OTHER FINANCING SOURCES (USES)				
Proceeds of refunding bonds	110,563,444	—	110,563,444	—
Payment to escrow agent	(110,563,444)	—	(110,563,444)	—
Operating transfers in	9,452,185	362,464	9,814,649	3,441,226
Total other financing sourcing (uses)	9,452,185	362,464	9,814,649	3,441,226
Excess (deficiency) of revenues and other sources over expenditures and other uses	6,710,426	—	6,710,426	1,886,990
Fund balances at beginning of year	9,756,458	246	9,756,704	7,869,714
Fund balances at end of year	\$ 16,466,884	246	16,467,130	9,756,704

**DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL-BUDGET BASIS**

**CITY OF AUSTIN, TEXAS
Exhibit D-3**

Year ended September 30, 2001

With comparative totals for year ended September 30, 2000

	General Obligation			HUD Section 108 Loans			Totals	
	Actual- Budget Basis	Budget	Variance- Favorable (Unfavorable)	Actual- Budget Basis	Budget	Variance- Favorable (Unfavorable)	Actual-Budget Basis 2001	2000
REVENUES								
General property taxes	\$ 68,639,520	68,515,476	124,044	--	--	--	68,639,520	64,960,513
Interest	2,216,053	2,056,232	159,821	--	--	--	2,216,053	2,545,511
Other revenue	326,371	138,000	188,371	559,398	838,614	(279,216)	885,769	620,439
Total revenues	71,181,944	70,709,708	472,236	559,398	838,614	(279,216)	71,741,342	68,126,463
EXPENDITURES								
Principal retirement	50,333,885	47,643,885	(2,690,000)	480,000	480,000	--	50,813,885	33,555,625
Interest and other	32,286,338	35,948,222	3,661,884	441,862	721,078	279,216	32,728,200	45,522,371
Fees and commissions	13,962	10,000	(3,962)	--	--	--	13,962	10,105
Total expenditures	82,634,185	83,602,107	967,922	921,862	1,201,078	279,216	83,556,047	79,088,101
Excess (deficiency) of revenues over expenditures	(11,452,241)	(12,892,399)	1,440,158	(362,464)	(362,464)	--	(11,814,705)	(10,961,638)
OTHER FINANCING SOURCES (USES)								
Operating transfers in	18,162,667	11,902,100	6,260,567	362,464	362,464	--	18,525,131	12,848,628
Total other financing sources (uses)	18,162,667	11,902,100	6,260,567	362,464	362,464	--	18,525,131	12,848,628
Excess (deficiency) of revenues and other sources over expenditures and other uses	6,710,426	(990,299)	7,700,725	--	--	--	6,710,426	1,886,990
Fund balances at beginning of year	9,756,458	9,350,509	405,949	246	--	246	9,756,704	7,869,714
Fund balances at end of year	\$ 16,466,884	8,360,210	8,106,674	246	--	246	16,467,130	9,756,704





CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds. There are eight major groups of funds that account for the activities related to the capital improvement projects:

Prior

to 1984: Funds authorized prior to 1981;

Funds authorized August 29, 1981, for street and drainage, fire stations, traffic signals and emergency medical service projects;

Funds authorized September 11, 1982, for various purposes;

Funds authorized October 22, 1983, for Jollyville Road Improvements;

1984: Funds authorized September 8, 1984, for various purposes;

1985: Funds authorized January 19, 1985, for cultural arts;

Funds authorized July 26, 1985, for parks and recreation;

Funds authorized September 26, 1985, for art in public places;

Funds authorized December 14, 1985, for various purposes;

1987: Funds authorized September 3, 1987, for street improvements;

1992: Funds authorized August 10, 1992, for various purposes;

1997: Funds authorized May 3, 1997, for radio trunking;

1998: Funds authorized November 3, 1998, for various purposes; and

Other: Other funds established for various purposes.



**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET**

September 30, 2001

With comparative totals for September 30, 2000

**CITY OF AUSTIN, TEXAS
Exhibit E-1**

	Summary of Funds from General Obligation Bonds								Other Funds	Totals	
	by Year of Authorization							2001		2000	
	Prior to 1984	1984	1985	1987	1992	1997	1998				
ASSETS											
Pooled investments and cash	\$ 979,088	9,930,108	5,193,017	--	7,345,422	29,389,470	31,049,772	43,816,300	127,703,177	127,975,159	
Accounts receivable	--	512,638	--	166,953	24,419	30,490	--	1,816,828	2,551,328	2,329,942	
Less allowance for doubtful accounts	--	--	--	(166,953)	--	--	--	--	(166,953)	(172,590)	
Net accounts receivable	--	512,638	--	--	24,419	30,490	--	1,816,828	2,384,375	2,157,352	
Due from other funds	82,006	504,329	54,298	--	72,989	--	2,419,473	4,864,660	7,997,755	16,751,044	
Other assets	--	--	413,634	--	--	--	--	426,114	839,748	931,536	
Total assets	1,061,094	10,947,075	5,660,949	--	7,442,830	29,419,960	33,469,245	50,923,902	138,925,055	147,815,091	
LIABILITIES AND FUND EQUITY											
Liabilities:											
Accounts payable	1,040	263,100	33,578	--	237,528	1,367,877	2,320,788	2,848,634	7,072,545	8,281,892	
Due to other funds	82,006	504,329	--	54,298	72,989	--	2,419,473	4,861,000	7,994,095	16,747,159	
Other liabilities	--	--	311,303	--	--	--	--	618,112	929,415	2,738,334	
Total liabilities	83,046	767,429	344,881	54,298	310,517	1,367,877	4,740,261	8,327,746	15,996,055	27,767,385	
Fund balances:											
Reserved for encumbrances	37,104	2,099,283	163,959	1,000	1,175,647	29,102,712	18,464,438	28,167,747	79,211,890	49,155,286	
Unreserved, undesignated	940,944	8,080,363	5,152,109	(55,298)	5,956,666	(1,050,629)	10,264,546	14,428,409	43,717,110	70,892,420	
Total fund balances	978,048	10,179,646	5,316,068	(54,298)	7,132,313	28,052,083	28,728,984	42,596,156	122,929,000	120,047,706	
Total liabilities and fund balances	\$ 1,061,094	10,947,075	5,660,949	--	7,442,830	29,419,960	33,469,245	50,923,902	138,925,055	147,815,091	

**CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES**

Year ended September 30, 2001

With comparative totals for year ended September 30, 2000

**CITY OF AUSTIN, TEXAS
Exhibit E-2**

	Summary of Funds from General Obligation Bonds							Other Funds	Totals	
	by Year of Authorization								2001	2000
	Prior to 1984	1984	1985	1987	1992	1997	1998			
REVENUES										
Intergovernmental revenues	\$ --	--	--	--	725,381	--	--	8,235,846	8,961,227	9,169,519
Property owners' participation and contributions	100,000	(106,141)	995,023	7,502	(4,088)	7,072,252	--	3,375,280	11,439,828	9,508,185
Interest and other	--	--	463,629	(188,905)	162,644	--	--	11,526,600	11,963,968	16,783,236
Total revenues	100,000	(106,141)	1,458,652	(181,403)	883,937	7,072,252	--	23,137,726	32,365,023	35,460,940
EXPENDITURES										
Capital outlay for construction	375,215	12,018,153	282,158	86,393	7,138,500	9,650,243	35,931,422	39,941,504	105,423,588	99,863,556
Deficiency of revenues over expenditures	(275,215)	(12,124,294)	1,176,494	(267,796)	(6,254,563)	(2,577,991)	(35,931,422)	(16,803,778)	(73,058,565)	(64,402,616)
OTHER FINANCING SOURCES (USES)										
Proceeds from issuance of tax supported debt	--	--	--	--	1,000,000	--	51,930,000	6,060,000	58,990,000	59,330,000
Operating transfers in	100,000	--	--	--	--	1,831,773	--	39,922,576	41,854,349	31,991,956
Operating transfers out	--	--	(6,657,510)	--	--	--	--	(18,246,980)	(24,904,490)	(13,649,158)
Total other financing sources (uses)	100,000	--	(6,657,510)	--	1,000,000	1,831,773	51,930,000	27,735,596	75,939,859	77,672,798
Excess (deficiency) of revenues and other sources over expenditures and other uses	(175,215)	(12,124,294)	(5,481,016)	(267,796)	(5,254,563)	(746,218)	15,998,578	10,931,818	2,881,294	13,270,182
Fund balances at beginning of year	1,153,263	22,303,940	10,797,084	213,498	13,136,795	28,798,301	12,730,406	30,914,419	120,047,706	106,777,524
Residual equity transfers in(out)	--	--	--	--	(749,919)	--	--	749,919	--	--
Fund balances at end of year	\$ 978,048	10,179,646	5,316,068	(54,298)	7,132,313	28,052,083	28,728,984	42,596,156	122,929,000	120,047,706

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000

	Assets						Total Assets
	Pooled Investments and Cash	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Due from Other Funds	Other Assets	
Funds Authorized							
Prior to 1981							
Parks and recreation	\$ 176,770	--	--	--	--	--	176,770
Police and courts	2,469	--	--	--	--	--	2,469
Street improvements	56,675	--	--	--	--	--	56,675
Library	7,274	--	--	--	--	--	7,274
Health centers	9,190	--	--	--	--	--	9,190
	<u>252,378</u>	--	--	--	--	--	<u>252,378</u>
Funds Authorized							
August 29, 1981							
Street and drainage	2,989	--	--	--	--	--	2,989
Fire stations	24,184	--	--	--	--	--	24,184
EMS buildings	329,117	--	--	--	--	--	329,117
	<u>356,290</u>	--	--	--	--	--	<u>356,290</u>
Funds Authorized							
September 11, 1982							
Street and drainage	14	--	--	--	--	--	14
Flood prevention	128,488	--	--	--	--	--	128,488
Public works parking	--	--	--	--	--	--	--
Traffic signals	--	--	--	--	--	--	--
Parks--various	169,440	--	--	--	82,006	--	251,446
Environmental resources	2,462	--	--	--	--	--	2,462
Fire/EMS building	43,259	--	--	--	--	--	43,259
	<u>343,663</u>	--	--	--	82,006	--	<u>425,669</u>
Funds Authorized							
October 22, 1983							
Jollyville road improvements	26,757	--	--	--	--	--	26,757
Energy improvements - city facilities	--	--	--	--	--	--	--
	<u>26,757</u>	--	--	--	--	--	<u>26,757</u>
Total Prior to 1984	<u>979,088</u>	--	--	--	82,006	--	<u>1,061,094</u>
Funds Authorized							
September 8, 1984							
Zilker land acquisition	--	--	--	--	--	--	--
PARD pools	4,856	--	--	--	--	--	4,856
Parkland acquisition	383,883	--	--	--	--	--	383,883
Parks/Old Bakery	--	--	--	--	--	--	--
Drainage and flood improvements	3,213,079	--	--	--	--	--	3,213,079
Street improvements	6,303,578	512,638	--	512,638	504,329	--	7,320,545
Fire improvements	10,847	--	--	--	--	--	10,847
Libraries	841	--	--	--	--	--	841
Police facilities	--	--	--	--	--	--	--
Traffic signals	9,495	--	--	--	--	--	9,495
EMS/Fire facility	3,529	--	--	--	--	--	3,529
	<u>\$ 9,930,108</u>	<u>512,638</u>	--	<u>512,638</u>	<u>504,329</u>	--	<u>10,947,075</u>

CITY OF AUSTIN, TEXAS
Exhibit E-3

Liabilities				Fund Balances			Total Liabilities and Fund Balances
Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Reserved for Encumbrances	Unreserved, Undesignated (Deficit)	Total Fund Balances	
-	-	-	-	-	176,770	176,770	176,770
-	-	-	-	-	2,469	2,469	2,469
-	-	-	-	-	56,675	56,675	56,675
-	-	-	-	-	7,274	7,274	7,274
-	-	-	-	-	9,190	9,190	9,190
-	-	-	-	-	252,378	252,378	252,378
-	-	-	-	-	2,989	2,989	2,989
-	-	-	-	-	24,184	24,184	24,184
1,040	-	-	1,040	12,204	315,873	328,077	329,117
1,040	-	-	1,040	12,204	343,046	355,250	356,290
-	-	-	-	-	14	14	14
-	-	-	-	-	128,488	128,488	128,488
-	-	-	-	-	-	-	-
-	-	-	-	19,900	231,546	251,446	251,446
-	-	-	-	-	2,462	2,462	2,462
-	-	-	-	-	43,259	43,259	43,259
-	-	-	-	19,900	405,769	425,669	425,669
-	-	-	-	-	26,757	26,757	26,757
-	82,006	-	82,006	5,000	(87,006)	(82,006)	-
-	82,006	-	82,006	5,000	(60,249)	(55,249)	26,757
1,040	82,006	-	83,046	37,104	940,944	978,048	1,061,094
-	-	-	-	-	4,856	4,856	4,856
-	-	-	-	-	383,883	383,883	383,883
-	490,544	-	490,544	6,413	(496,957)	(490,544)	-
-	-	-	-	229,103	2,983,976	3,213,079	3,213,079
263,100	-	-	263,100	1,863,253	5,194,192	7,057,445	7,320,545
-	-	-	-	-	10,847	10,847	10,847
-	-	-	-	-	841	841	841
-	13,785	-	13,785	-	(13,785)	(13,785)	-
-	-	-	-	-	9,495	9,495	9,495
-	-	-	-	514	3,015	3,529	3,529
263,100	504,329	-	767,429	2,099,283	8,080,363	10,179,646	10,947,075

(continued)

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000

	Assets						
	Pooled Investments and Cash	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Due from Other Funds	Other Assets	Total Assets
Funds Authorized							
January 19, 1985							
Cultural arts	\$ 1,407,957	--	--	--	--	413,634	1,821,591
Downtown art museum	168,363	--	--	--	--	--	168,363
	<u>1,576,320</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>413,634</u>	<u>1,989,954</u>
Funds Authorized							
July 26, 1985							
Neighborhood park and recreation	3,576,619	--	--	--	54,298	--	3,630,917
Funds Authorized							
September 26, 1985							
Art in public places	107	--	--	--	--	--	107
Funds Authorized							
December 14, 1985							
Senior activity center	13,135	--	--	--	--	--	13,135
South Austin parkland	10,903	--	--	--	--	--	10,903
Parks Oak Hill	15,933	--	--	--	--	--	15,933
	<u>39,971</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>39,971</u>
Total Funds Authorized							
In 1985	<u>5,193,017</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>54,298</u>	<u>413,634</u>	<u>5,660,949</u>
Funds Authorized							
September 3, 1987							
Street resurfacing	--	166,953	(166,953)	--	--	--	--
Funds Authorized							
August 10, 1992							
EMS facility	49,357	--	--	--	--	--	49,357
Fire stations	33,441	--	--	--	--	--	33,441
Police substations	--	--	--	--	--	--	--
Asbestos abatement/ADA compliance/							
East Austin health clinic	1,572,178	--	--	--	72,989	--	1,645,167
Erosion & flood control	4,099,220	24,419	--	24,419	--	--	4,123,639
Street & traffic signals	490,446	--	--	--	--	--	490,446
Neighborhood sidewalks	91,538	--	--	--	--	--	91,538
Parks and recreation facilities	601,999	--	--	--	--	--	601,999
Libraries	57,954	--	--	--	--	--	57,954
Balcones Canyonlands							
Conservation Plan	24,361	--	--	--	--	--	24,361
Barton Creek greenway	324,928	--	--	--	--	--	324,928
	<u>7,345,422</u>	<u>24,419</u>	<u>--</u>	<u>24,419</u>	<u>72,989</u>	<u>--</u>	<u>7,442,830</u>
Funds Authorized							
May 3, 1997							
Radio Trunking	29,389,470	30,490	--	30,490	--	--	29,419,960
	<u>\$ 29,389,470</u>	<u>30,490</u>	<u>--</u>	<u>30,490</u>	<u>--</u>	<u>--</u>	<u>29,419,960</u>

CITY OF AUSTIN, TEXAS
Exhibit E-3
(Continued)

Liabilities				Fund Balances			Total
Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Reserved for Encumbrances	Unreserved, Undesignated (Deficit)	Total Fund Balances	Liabilities and Fund Balances
-	-	-	-	28,775	1,792,816	1,821,591	1,821,591
-	-	-	-	-	168,363	168,363	168,363
-	-	-	-	28,775	1,961,179	1,989,954	1,989,954
21,103	-	311,303	332,406	124,459	3,174,052	3,298,511	3,630,917
-	-	-	-	10,725	(10,618)	107	107
-	-	-	-	-	13,135	13,135	13,135
-	-	-	-	-	10,903	10,903	10,903
12,475	-	-	12,475	-	3,458	3,458	15,933
12,475	-	-	12,475	-	27,496	27,496	39,971
33,578	-	311,303	344,881	163,959	5,152,109	5,316,068	5,660,949
-	54,298	-	54,298	1,000	(55,298)	(54,298)	-
-	-	-	-	-	49,357	49,357	49,357
-	-	-	-	6,458	26,983	33,441	33,441
180,975	72,989	-	253,964	329,570	(583,534)	(253,964)	-
44,515	-	-	44,515	272,104	1,328,548	1,600,652	1,645,167
-	-	-	-	194,159	3,929,480	4,123,639	4,123,639
1	-	-	1	103,373	387,072	490,445	490,446
-	-	-	-	26,741	64,797	91,538	91,538
10,322	-	-	10,322	206,545	385,132	591,677	601,999
1,715	-	-	1,715	36,697	19,542	56,239	57,954
-	-	-	-	-	24,361	24,361	24,361
-	-	-	-	-	324,928	324,928	324,928
237,528	72,989	-	310,517	1,175,647	5,956,666	7,132,313	7,442,830
1,367,877	-	-	1,367,877	29,102,712	(1,050,629)	28,052,083	29,419,960
1,367,877	-	-	1,367,877	29,102,712	(1,050,629)	28,052,083	29,419,960

(continued)

CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000

	Assets						Total Assets
	Pooled Investments and Cash	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Due from Other Funds	Other Assets	
Funds Authorized							
November 3, 1998							
Cultural arts and land	\$ 6,667,090	--	--	--	--	--	6,667,090
Drainage and flood control	5,231,058	--	--	--	--	--	5,231,058
Traffic signals	--	--	--	--	--	--	--
Public safety FAC	12,498,040	--	--	--	2,419,473	--	14,917,513
Parks and recreation facilities	6,653,584	--	--	--	--	--	6,653,584
	<u>31,049,772</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,419,473</u>	<u>--</u>	<u>33,469,245</u>
Other funds							
Planning & development improvements	750,088	--	--	--	--	--	750,088
TPSD general improvements	15,947,888	10,639	--	10,639	--	--	15,958,527
Parks-1992	373,498	--	--	--	--	--	373,498
Library automation system	444,175	--	--	--	--	--	444,175
Fire/EMS/NW Austin MUD #1	589,049	--	--	--	--	--	589,049
General government projects	7,963,456	--	--	--	--	--	7,963,456
Health projects	522,669	--	--	--	--	--	522,669
Build Austin	--	705,479	--	705,479	--	--	705,479
CMTA Mobility	--	--	--	--	--	--	--
Forsythia Drive	3,128	--	--	--	--	--	3,128
Central City Entertainment Center	27,132	--	--	--	--	--	27,132
Park improvements	4,025,630	--	--	--	--	--	4,025,630
Police and courts	836,273	--	--	--	--	--	836,273
Health centers	17,301	--	--	--	--	--	17,301
Neighborhood centers	8,265	--	--	--	--	--	8,265
Loan star improvements	330,704	--	--	--	--	--	330,704
Fire - general	6,086,053	--	--	--	--	--	6,086,053
Capital reserve	3,390,383	1,100,710	--	1,100,710	4,861,000	--	9,352,093
Library	5,768	--	--	--	--	--	5,768
Public Works	--	--	--	--	--	--	--
One Texas Center	186,684	--	--	--	--	--	186,684
Watershed Protection	723,857	--	--	--	--	426,114	1,149,971
Tanglewood park	--	--	--	--	--	--	--
Great Streets	629,747	--	--	--	--	--	629,747
City Hall, plaza, parking garage	--	--	--	--	--	--	--
Conservation Land	--	--	--	--	3,660	--	3,660
Colony Park	--	--	--	--	--	--	--
Interest income fund	954,552	--	--	--	--	--	954,552
Total other funds	<u>43,816,300</u>	<u>1,816,828</u>	<u>--</u>	<u>1,816,828</u>	<u>4,864,660</u>	<u>426,114</u>	<u>50,923,902</u>
2001 Totals	<u>127,703,177</u>	<u>2,551,328</u>	<u>(166,953)</u>	<u>2,384,375</u>	<u>7,997,755</u>	<u>839,748</u>	<u>138,925,055</u>
Prior year totals							
Funds authorized:							
Prior to 1984	1,305,932	--	--	--	92,542	34,105	1,432,579
September 8, 1984	22,094,794	512,638	--	512,638	421,946	9,837	23,039,215
1985	10,568,010	--	--	--	--	420,063	10,988,073
September 3, 1987	248,168	365,821	(172,590)	193,231	--	--	441,399
August 10, 1992	13,879,026	--	--	--	3,885	41,417	13,924,328
1997	28,798,301	--	--	--	--	--	28,798,301
1998	14,675,386	--	--	--	8,661,570	--	23,336,956
Other funds	36,405,542	1,451,483	--	1,451,483	7,571,101	426,114	45,854,240
2000 Totals	<u>\$ 127,975,159</u>	<u>2,329,942</u>	<u>(172,590)</u>	<u>2,157,352</u>	<u>16,751,044</u>	<u>931,536</u>	<u>147,815,091</u>

CITY OF AUSTIN, TEXAS
Exhibit E-3
(Continued)

Liabilities				Fund Balances			Total
Accounts Payable	Due to Other Funds	Other Liabilities	Total Liabilities	Reserved for Encumbrances	Unreserved, Undesignated (Deficit)	Total Fund Balances	Liabilities and Fund Balances
134,929	-	-	134,929	1,393,109	5,139,052	6,532,161	6,667,090
94,150	-	-	94,150	688,889	4,448,019	5,136,908	5,231,058
1,977,813	2,419,473	-	4,397,286	5,706,783	(10,104,069)	(4,397,286)	-
28,233	-	-	28,233	7,641,255	7,248,025	14,889,280	14,917,513
85,663	-	-	85,663	3,034,402	3,533,519	6,567,921	6,653,584
2,320,788	2,419,473	-	4,740,261	18,464,438	10,264,546	28,728,984	33,469,245
-	-	-	-	4,412	745,676	750,088	750,088
171,242	-	-	171,242	3,533,785	12,253,500	15,787,285	15,958,527
66,269	-	-	66,269	217,192	90,037	307,229	373,498
-	-	-	-	296,203	147,972	444,175	444,175
-	-	-	-	-	589,049	589,049	589,049
297,058	-	412,006	709,064	1,637,941	5,616,451	7,254,392	7,963,456
9,513	-	-	9,513	47,918	465,238	513,156	522,669
50,543	769,698	-	820,241	188,198	(302,960)	(114,762)	705,479
41,198	207,076	-	248,274	1,712,423	(1,960,697)	(248,274)	-
-	-	-	-	-	3,128	3,128	3,128
-	-	2,402	2,402	438	24,292	24,730	27,132
8,523	-	-	8,523	402,542	3,614,565	4,017,107	4,025,630
632	-	-	632	27,143	808,498	835,641	836,273
-	-	-	-	451	16,850	17,301	17,301
-	-	-	-	-	8,265	8,265	8,265
-	-	-	-	13,750	316,954	330,704	330,704
13,115	-	-	13,115	143,523	5,929,415	6,072,938	6,086,053
282,828	-	-	282,828	15,364,209	(6,294,944)	9,069,265	9,352,093
-	-	-	-	-	5,768	5,768	5,768
10,471	95,976	-	106,447	144,422	(250,869)	(106,447)	-
-	-	-	-	1,731	184,953	186,684	186,684
641,980	-	-	641,980	449,806	58,185	507,991	1,149,971
-	64,197	-	64,197	-	(64,197)	(64,197)	-
-	-	-	-	-	629,747	629,747	629,747
1,255,262	3,705,949	-	4,961,211	3,981,660	(8,942,871)	(4,961,211)	-
-	6,595	1,616	8,211	-	(4,551)	(4,551)	3,660
-	11,509	-	11,509	-	(11,509)	(11,509)	-
-	-	202,088	202,088	-	752,464	752,464	954,552
2,848,634	4,861,000	618,112	8,327,746	28,167,747	14,428,409	42,596,156	50,923,902
7,072,545	7,994,095	929,415	15,996,055	79,211,890	43,717,110	122,929,000	138,925,055
109,124	170,192	-	279,316	307,552	845,711	1,153,263	1,432,579
390,979	344,296	-	735,275	11,055,579	11,248,361	22,303,940	23,039,215
8,612	-	182,377	190,989	73,913	10,723,171	10,797,084	10,988,073
227,877	-	24	227,901	1,000	212,498	213,498	441,399
785,692	-	1,841	787,533	4,301,700	8,835,095	13,136,795	13,924,328
-	-	-	-	43,764	28,754,537	28,798,301	28,798,301
1,944,980	8,661,570	-	10,606,550	20,095,751	(7,365,345)	12,730,406	23,336,956
4,814,628	7,571,101	2,554,092	14,939,821	13,276,027	17,638,392	30,914,419	45,854,240
8,281,892	16,747,159	2,738,334	27,767,385	49,155,286	70,892,420	120,047,706	147,815,091

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

	Revenues				Expenditures
	Inter- governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized					
Prior to 1981					
Parks and recreation	\$ --	--	--	--	838
Police and courts	--	--	--	--	--
Street improvements	--	--	--	--	--
Library	--	100,000	--	100,000	184
Health centers	--	--	--	--	--
	--	100,000	--	100,000	1,022
Funds Authorized					
August 29, 1981					
Street and drainage	--	--	--	--	--
Fire stations	--	--	--	--	604
EMS buildings	--	--	--	--	339,230
	--	--	--	--	339,834
Funds Authorized					
September 11, 1982					
Street and drainage	--	--	--	--	--
Flood prevention	--	--	--	--	(529)
Public works parking	--	--	--	--	1
Traffic signals	--	--	--	--	4
Parks-various	--	--	--	--	29,729
Environmental resources	--	--	--	--	--
Fire/EMS building	--	--	--	--	--
	--	--	--	--	29,205
Funds Authorized					
October 22, 1983					
Jollyville road improvements	--	--	--	--	--
Energy improvements - city facilities	--	--	--	--	5,154
	--	--	--	--	5,154
Total Prior to 1984	--	100,000	--	100,000	375,215
Funds Authorized					
September 8, 1984					
Zilker land acquisition	--	--	--	--	9
PARD pools	--	--	--	--	--
Parkland acquisition	--	--	--	--	--
Parks/Old Bakery	--	--	--	--	160,033
Drainage and flood improvements	--	--	--	--	315,047
Street improvements	--	(106,141)	--	(106,141)	11,543,064
Fire improvements	--	--	--	--	--
Libraries	--	--	--	--	--
Police facilities	--	--	--	--	--
Traffic signals	--	--	--	--	--
EMS/Fire facility	--	--	--	--	--
	--	(106,141)	--	(106,141)	12,018,153
Funds Authorized					
January 19, 1985					
Cultural arts	--	--	463,629	463,629	28,610
Downtown art museum	--	--	--	--	--
\$	--	--	463,629	463,629	28,610

CITY OF AUSTIN, TEXAS

Exhibit E-4

Other Financing Sources (Uses)				Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	Fund Balances September 30, 2000	Residual Equity Transfers In (Out)	Fund Balances September 30, 2001
Issuance of Tax Supported Debt	Operating Transfers In	Operating Transfers Out	Total Other Financing Sources(Uses)				
-	-	-	-	(838)	177,608	-	176,770
-	-	-	-	-	2,469	-	2,469
-	-	-	-	-	56,675	-	56,675
-	-	-	-	99,816	(92,542)	-	7,274
-	-	-	-	-	9,190	-	9,190
-	-	-	-	98,978	153,400	-	252,378
-	-	-	-	-	2,989	-	2,989
-	-	-	-	(604)	24,788	-	24,184
-	100,000	-	100,000	(239,230)	567,307	-	328,077
-	100,000	-	100,000	(239,834)	595,084	-	355,250
-	-	-	-	-	14	-	14
-	-	-	-	529	127,959	-	128,488
-	-	-	-	(1)	1	-	1
-	-	-	-	(4)	4	-	4
-	-	-	-	(29,729)	281,175	-	251,446
-	-	-	-	-	2,462	-	2,462
-	-	-	-	-	43,259	-	43,259
-	-	-	-	(29,205)	454,874	-	425,669
-	-	-	-	-	26,757	-	26,757
-	-	-	-	(5,154)	(76,852)	-	(82,006)
-	-	-	-	(5,154)	(50,095)	-	(55,249)
-	100,000	-	100,000	(175,215)	1,153,263	-	978,048
-	-	-	-	(9)	9	-	-
-	-	-	-	-	4,856	-	4,856
-	-	-	-	-	383,883	-	383,883
-	-	-	-	(160,033)	(330,511)	-	(490,544)
-	-	-	-	(315,047)	3,528,126	-	3,213,079
-	-	-	-	(11,649,205)	18,706,650	-	7,057,445
-	-	-	-	-	10,847	-	10,847
-	-	-	-	-	841	-	841
-	-	-	-	-	(13,785)	-	(13,785)
-	-	-	-	-	9,495	-	9,495
-	-	-	-	-	3,529	-	3,529
-	-	-	-	(12,124,294)	22,303,940	-	10,179,646
-	-	(461,863)	(461,863)	(26,844)	1,848,435	-	1,821,591
-	-	(6,195,647)	(6,195,647)	(6,195,647)	6,364,010	-	168,363
-	-	(6,657,510)	(6,657,510)	(6,222,491)	8,212,445	-	1,989,954

(continued)

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

	Revenues				Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Funds Authorized					
July 26, 1985					
Neighborhood park and recreation	\$ --	995,023	--	995,023	189,485
Funds Authorized					
September 26, 1985					
Art in public places	--	--	--	--	8,225
Funds Authorized					
December 14, 1985					
Senior activity center	--	--	--	--	--
South Austin parkland	--	--	--	--	--
Parks Oak Hill	--	--	--	--	55,838
	--	--	--	--	55,838
Total funds authorized					
in 1985	--	995,023	463,629	1,458,652	282,158
Funds Authorized					
September 3, 1987					
Street resurfacing	--	7,502	(188,905)	(181,403)	86,393
Funds Authorized					
August 10, 1992					
EMS facility	--	--	--	--	--
Fire stations	--	--	--	--	40,505
Police substations	--	--	--	--	2,743,405
Asbestos abatement/ADA compliance/-					
East Austin health clinic	--	--	305,113	305,113	1,830,391
Erosion & flood control	--	--	--	--	1,162,078
Street & traffic signals	--	--	(144,513)	(144,513)	416,756
Neighborhood sidewalks	--	--	--	--	813
Parks and recreation facilities	725,381	--	--	725,381	786,156
Libraries	--	--	--	--	142,741
Balcones Canyonlands					
Conservation Plan	--	(4,088)	2,044	(2,044)	15,655
Barton Creek greenway	--	--	--	--	--
	725,381	(4,088)	162,644	883,937	7,138,500
Funds Authorized					
May 3, 1997					
Radio Trunking	--	7,072,252	--	7,072,252	9,650,243
	--	7,072,252	--	7,072,252	9,650,243
Funds Authorized					
November 3, 1998					
Cultural arts and land	--	--	--	--	1,871,368
Drainage and flood control	--	--	--	--	1,983,956
Traffic signals	--	--	--	--	20,780,807
Public safety FAC	--	--	--	--	4,879,114
Parks and recreation facilities	--	--	--	--	6,416,177
	\$ --	--	--	--	35,931,422

CITY OF AUSTIN, TEXAS
Exhibit E-4
(Continued)

Other Financing Sources (Uses)				Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	Fund Balances September 30, 2000	Residual Equity Transfers In (Out)	Fund Balances September 30, 2001
Issuance of Tax Supported Debt	Operating Transfers In	Operating Transfers Out	Total Other Financing Sources(Uses)				
-	-	-	-	805,538	2,492,973	-	3,298,511
-	-	-	-	(8,225)	8,332	-	107
-	-	-	-	-	13,135	-	13,135
-	-	-	-	-	10,903	-	10,903
-	-	-	-	(55,838)	59,296	-	3,458
-	-	-	-	(55,838)	83,334	-	27,496
-	-	(6,657,510)	(6,657,510)	(5,481,016)	10,797,084	-	5,316,068
-	-	-	-	(267,796)	213,498	-	(54,298)
-	-	-	-	-	49,357	-	49,357
-	-	-	-	(40,505)	73,946	-	33,441
-	-	-	-	(2,743,405)	2,489,441	-	(253,964)
1,000,000	-	-	1,000,000	(525,278)	2,125,930	-	1,600,652
-	-	-	-	(1,162,078)	5,285,717	-	4,123,639
-	-	-	-	(561,269)	1,051,714	-	490,445
-	-	-	-	(813)	92,351	-	91,538
-	-	-	-	(60,775)	652,452	-	591,677
-	-	-	-	(142,741)	198,980	-	56,239
-	-	-	-	(17,699)	791,979	(749,919)	24,361
-	-	-	-	-	324,928	-	324,928
1,000,000	-	-	1,000,000	(5,254,563)	13,136,795	(749,919)	7,132,313
-	1,831,773	-	1,831,773	(746,218)	28,798,301	-	28,052,083
-	1,831,773	-	1,831,773	(746,218)	28,798,301	-	28,052,083
5,745,000	-	-	5,745,000	3,873,632	2,658,529	-	6,532,161
-	-	-	-	(1,983,956)	7,120,864	-	5,136,908
26,345,000	-	-	26,345,000	5,564,193	(9,961,479)	-	(4,397,286)
12,930,000	-	-	12,930,000	8,050,886	6,838,394	-	14,889,280
6,910,000	-	-	6,910,000	493,823	6,074,098	-	6,567,921
51,930,000	-	-	51,930,000	15,998,578	12,730,406	-	28,728,984

(continued)

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

	Revenues				Expenditures
	Inter-governmental Revenues	Property Owners' Participation and Contributions	Interest and Other	Total Revenues	Capital Outlay
Other funds					
Planning & development improvements	\$ --	--	--	--	--
TPSD general improvements	--	650,541	--	650,541	10,626,742
Parks project 1992	--	--	--	--	234,988
Library automation system	--	23,272	--	23,272	275,719
Fire/EMS/NW Austin MUD #1	--	209,518	19,655	229,173	--
General government projects	--	4,404	378,816	383,220	3,160,509
Health projects	--	--	--	--	297,119
Build Austin	3,690,918	--	--	3,690,918	2,925,798
CMTA Mobility	--	--	--	--	248,274
Forsythia Drive	--	--	153	153	--
Central City Entertainment Center	--	--	--	--	53,878
Park improvements	--	--	--	--	1,035,081
Police and courts	--	--	--	--	123,156
Health centers	--	--	--	--	101,832
Neighborhood centers	--	--	--	--	--
Loan star improvements	--	--	--	--	--
Fire - general	--	--	--	--	198,072
Capital reserve	--	1,598,011	--	1,598,011	5,192,764
Library	--	--	--	--	--
Public Works	1,744,928	--	--	1,744,928	1,725,054
One Texas Center	--	--	--	--	13,063
Watershed Protection	--	887,490	--	887,490	917,103
Tanglewood park	--	--	--	--	--
Great Streets	--	--	2,423	2,423	--
City Hall, plaza, parking garage	--	--	(55,113)	(55,113)	9,990,043
Conservation Land	--	2,044	4,205	6,249	10,800
Colony Park	2,800,000	--	--	2,800,000	2,811,509
Interest income fund	--	--	11,176,461	11,176,461	--
Total other funds	8,235,846	3,375,280	11,526,600	23,137,726	39,941,504
2001 Totals	8,961,227	11,439,828	11,963,968	32,365,023	105,423,588
Prior year totals					
Funds authorized:					
Prior to 1984	--	--	--	--	856,185
September 8, 1984	--	2,000,000	--	2,000,000	10,169,329
1985	--	738,521	440,814	1,179,335	374,470
September 3, 1987	--	--	22,520	22,520	239,406
August 10, 1992	197,615	--	79,486	277,101	13,432,013
1997	--	--	--	--	(34,692)
1998	--	--	--	--	24,321,332
Other funds	8,971,904	6,769,664	16,240,416	31,981,984	50,505,513
2000 Totals	\$ 9,169,519	9,508,185	16,783,236	35,460,940	99,863,556

CITY OF AUSTIN, TEXAS
Exhibit E-4
(Continued)

Other Financing Sources (Uses)				Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	Fund Balances September 30, 2000	Residual Equity Transfers In (Out)	Fund Balances September 30, 2001
Issuance of Tax Supported Debt	Operating Transfers In	Operating Transfers Out	Total Other Financing Sources(Uses)				
--	--	--	--	--	750,088	--	750,088
--	19,022,000	--	19,022,000	9,045,799	6,741,486	--	15,787,285
--	--	--	--	(234,988)	542,217	--	307,229
--	373,000	--	373,000	120,553	323,622	--	444,175
--	--	--	--	229,173	359,876	--	589,049
--	7,163,404	(6,824,576)	338,828	(2,438,461)	9,692,853	--	7,254,392
--	160,000	--	160,000	(137,119)	650,275	--	513,156
--	--	--	--	765,120	(879,882)	--	(114,762)
--	--	--	--	(248,274)	--	--	(248,274)
--	--	--	--	153	2,975	--	3,128
--	--	--	--	(53,878)	78,608	--	24,730
--	4,155,580	--	4,155,580	3,120,499	896,608	--	4,017,107
--	--	--	--	(123,156)	958,797	--	835,641
--	--	--	--	(101,832)	119,133	--	17,301
--	--	--	--	--	8,265	--	8,265
--	--	--	--	--	330,704	--	330,704
--	3,675,000	(1,763,404)	1,911,596	1,713,524	4,359,414	--	6,072,938
--	2,484,374	(1,000,000)	1,484,374	(2,110,379)	11,179,644	--	9,069,265
--	--	--	--	--	5,768	--	5,768
--	--	--	--	19,874	(126,321)	--	(106,447)
--	--	--	--	(13,063)	199,747	--	186,684
2,160,000	2,116,329	--	4,276,329	4,246,716	(3,738,725)	--	507,991
--	--	--	--	--	(64,197)	--	(64,197)
--	311,026	--	311,026	313,449	316,298	--	629,747
--	--	--	--	(10,045,156)	5,083,945	--	(4,961,211)
3,900,000	--	--	3,900,000	3,895,449	(4,649,919)	749,919	(4,551)
--	--	--	--	(11,509)	--	--	(11,509)
--	461,863	(8,659,000)	(8,197,137)	2,979,324	(2,226,860)	--	752,464
6,060,000	39,922,576	(18,246,980)	27,735,596	10,931,818	30,914,419	749,919	42,596,156
58,990,000	41,854,349	(24,904,490)	75,939,859	2,881,294	120,047,706	--	122,929,000
--	38,576	--	38,576	(817,609)	1,970,872	--	1,153,263
--	--	--	--	(8,169,329)	30,473,269	--	22,303,940
--	174,000	(1,142,428)	(968,428)	(163,563)	10,960,647	--	10,797,084
--	--	--	--	(216,886)	430,384	--	213,498
4,690,000	1,150,000	--	5,840,000	(7,314,912)	20,451,707	--	13,136,795
6,720,000	--	--	6,720,000	6,754,692	22,043,609	--	28,798,301
42,390,000	--	--	42,390,000	18,068,668	(5,338,262)	--	12,730,406
5,530,000	30,629,380	(12,506,730)	23,652,650	5,129,121	25,785,298	--	30,914,419
59,330,000	31,991,956	(13,649,158)	77,672,798	13,270,182	106,777,524	--	120,047,706





ENTERPRISE FUNDS

Enterprise funds account for the acquisition, operations and maintenance of the City's facilities and services that are entirely or predominantly supported by user charges or those for which the City has decided that periodic determination of the revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. All activities necessary to provide services are accounted for in these funds, including, but not limited to, administration, operations, and maintenance. Debt service for the Electric Fund, the Water and Wastewater Fund, the Solid Waste Services Fund, the Airport Fund, and the Convention Center Fund is also included. The enterprise funds are as follows:

- The Electric Fund;
- The Water and Wastewater Fund;
- The Hospital Fund,
- The Solid Waste Services Fund;
- The Airport Fund;
- The Convention Center Fund;
- The Drainage Fund;
- The Transportation Fund;
- The Golf Fund; and
- The Parks and Recreation Fund



ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000

	Electric	Water and Wastewater	Hospital	Solid Waste Services
ASSETS				
Current assets:				
Cash	\$ 17,000	12,450	--	2,550
Pooled investments and cash	56,571,935	11,904,032	35,173,831	2,389,996
Working capital advances	2,890,794	--	--	--
Accounts receivable	103,809,396	22,912,691	3,675,901	4,516,165
Less allowance for doubtful accounts	(4,310,094)	(994,716)	(3,389,316)	(132,627)
Net accounts receivable	99,499,302	21,917,975	286,585	4,383,538
Receivable from other governments	--	--	--	--
Due from other funds	150,000	--	--	--
Inventories, at cost	47,649,254	1,078,454	--	--
Prepaid expenses and other assets	27,665,645	--	--	20,448
Total current assets	234,443,930	34,912,911	35,460,416	6,796,532
Restricted assets:				
Revenue note current debt service account	--	--	--	--
Revenue bond current debt service account	81,116,278	35,634,023	--	--
Revenue bond future debt service account	192,196,078	--	--	--
Revenue bond retirement reserve account	116,568,219	54,131,600	--	--
Construction account	67,543,721	99,448,693	--	9,217,149
Due from other funds	--	26,872	--	--
Advances to other funds	--	241,850	--	--
Decommissioning account	72,591,362	--	--	--
Capital improvement account	--	--	--	--
Operating reserve account	--	--	--	--
Hotel occupancy tax account	--	--	--	--
Renewal and replacement account	--	--	--	--
Investments and cash held by trustee	--	5,213,934	--	--
Nuclear fuel inventory acquisition account	31,898,253	--	--	--
Mueller disposition account	--	--	--	--
Customer and escrow deposits	4,073,789	2,137,203	--	170,800
Other restricted accounts	2,060,156	--	--	--
Total restricted assets	568,047,856	196,834,175	--	9,387,949
Fixed assets, at cost:				
Property, plant and equipment in service	2,823,080,198	2,095,315,953	74,793,203	52,979,101
Less accumulated depreciation	(1,131,860,735)	(592,992,200)	(33,753,688)	(22,483,056)
Net property, plant and equipment in service	1,691,219,463	1,502,323,753	41,039,515	30,496,045
Construction in progress	193,752,698	155,017,516	--	12,722,470
Nuclear fuel, net of amortization	19,438,007	--	--	--
Plant held for future use	31,378,983	--	--	--
Net property, plant and equipment	1,935,789,151	1,657,341,269	41,039,515	43,218,515
Investment in municipal utility districts	--	1,756,084	--	--
Intangible assets, net of amortization	--	95,101,582	--	--
Other long-term assets	3,969,980	--	--	--
Deferred costs and expenses, including bond issue cost, net of amortization	375,938,961	237,825,191	--	39,772
Total assets	\$3,118,189,878	2,223,771,212	76,499,931	59,442,768

See accompanying independent auditors' report.

CITY OF AUSTIN, TEXAS
Exhibit F-1

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						2001	2000
7,500	2,000	700	800	1,300	--	44,300	42,050
5,012,442	17,981,848	1,230,766	2,749,555	651,968	190,825	133,857,198	80,318,516
--	123,841	--	--	--	--	3,014,635	2,548,202
4,783,960	363,618	2,615,113	1,575,880	--	--	144,252,724	167,850,654
(150,000)	(1,024)	(97,156)	(176,772)	--	--	(9,251,705)	(9,163,184)
4,633,960	362,594	2,517,957	1,399,108	--	--	135,001,019	158,687,470
--	--	--	--	--	--	--	698,954
--	--	--	--	--	--	150,000	--
--	--	--	263,723	--	--	48,991,431	46,401,728
1,200	43,500	67,230	--	--	--	27,798,023	64,184,961
9,655,102	18,513,783	3,816,653	4,413,186	653,268	190,825	348,856,606	352,881,881
392,997	--	--	--	--	--	392,997	441,867
11,390,843	5,948,142	--	--	--	--	134,089,286	118,709,645
--	--	--	--	--	--	192,196,078	221,753,105
--	6,914,551	--	--	--	--	177,614,370	168,178,520
27,241,407	94,096,467	26,321,922	26,405	1,136,641	--	325,032,405	374,192,036
--	--	--	--	--	--	26,872	384,424
4,318,000	--	--	--	--	--	4,559,850	4,586,722
--	--	--	--	--	--	72,591,362	63,515,224
34,547,866	--	--	--	--	--	34,547,866	15,485,262
6,900,950	--	--	--	--	--	6,900,950	17,509,286
--	572,788	--	--	--	--	572,788	2,076,499
10,000,000	1,063,999	--	--	--	--	11,063,999	11,043,578
--	--	--	--	--	--	5,213,934	20,393,686
--	--	--	--	--	--	31,898,253	33,473,935
5,778,587	--	--	--	--	--	5,778,587	2,616,040
196,301	747,219	--	--	--	--	7,325,312	12,199,305
12,093,434	--	--	--	--	--	14,153,590	10,156,981
112,860,385	109,343,166	26,321,922	26,405	1,136,641	--	1,023,958,499	1,076,716,115
724,642,522	114,992,716	28,705,631	10,070,022	12,913,309	173,018	5,937,665,673	5,630,759,243
(126,437,598)	(24,598,883)	(4,707,994)	(4,259,138)	(3,628,130)	(53,173)	(1,944,774,595)	(1,797,068,649)
598,204,924	90,393,833	23,997,637	5,810,884	9,285,179	119,845	3,992,891,078	3,833,690,594
10,403,624	109,054,206	23,631,480	--	1,573,647	--	506,155,641	354,580,793
--	--	--	--	--	--	19,438,007	17,862,325
--	--	--	--	--	--	31,378,983	31,378,983
608,608,548	199,448,039	47,629,117	5,810,884	10,858,826	119,845	4,549,863,709	4,237,512,695
--	--	--	--	--	--	1,756,084	2,107,665
--	--	--	--	--	--	95,101,582	97,500,000
--	--	--	--	--	--	3,969,980	1,326,942
2,295,702	18,662,165	5,974	1,129	20,906	--	634,789,800	641,812,260
733,419,737	345,967,153	77,773,666	10,251,604	12,669,641	310,670	6,658,296,260	6,409,857,558

(continued)

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000

	Electric	Water and Wastewater	Hospital	Solid Waste Services
LIABILITIES AND FUND EQUITY				
Current liabilities:				
Accounts payable	\$ 60,116,489	1,221,671	35,554	565,580
Accrued payroll	1,811,695	1,070,686	3,109	361,718
Accrued compensated absences	4,967,011	2,861,904	2,105	895,528
Construction contracts payable	--	204,041	--	--
Contract revenue bonds payable	--	6,605,000	--	--
Due to other funds	--	--	--	--
Interest payable on other debt	1,004,687	4,029,558	--	113,938
Deferred revenue	--	959,058	19,873	--
General obligation bonds payable and other tax supported debt	--	--	--	1,962,116
Water improvement district bonds payable	--	250,000	--	--
Capital lease obligations payable	1,436,614	850,000	--	--
Other liabilities	5,198,430	1,066,943	--	175,153
Total current liabilities	74,534,926	19,118,861	60,641	4,074,033
Liabilities payable from restricted assets:				
Accounts and retainage payable	18,023,476	11,752,863	--	425,232
Accrued interest payable	34,686,964	22,553,515	--	--
General obligation bonds payable and other tax supported debt	336,624	4,709,229	--	--
Revenue bonds payable within one year	80,449,446	18,426,216	--	--
Capital lease obligations payable	--	--	--	--
Customer deposits	2,504,419	889,034	--	170,800
Escrow deposits	1,569,370	1,248,169	--	--
Decommissioning expense payable	72,591,362	--	--	--
Nuclear fuel expense payable	31,898,253	--	--	--
Other liabilities	--	--	--	--
Total liabilities payable from restricted assets	\$ 242,059,914	59,579,026	--	596,032

See accompanying independent auditors' report.

CITY OF AUSTIN, TEXAS

Exhibit F-1

(Continued)

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						2001	2000
6,882,391	447,032	265,164	681,130	73,538	60,446	70,348,995	74,328,647
350,862	133,092	266,640	166,567	58,812	37,591	4,260,772	3,411,366
852,867	295,941	480,684	386,075	117,971	28,132	10,888,218	11,409,500
--	--	--	--	--	--	204,041	1,074,032
--	--	--	--	--	--	6,605,000	6,930,000
--	--	--	--	--	--	--	30,825
8,341	--	11,141	8,176	34,490	--	5,210,331	6,301,865
380,433	--	--	--	--	--	1,359,364	1,386,130
132,009	55,766	187,477	116,934	499,305	--	2,953,607	2,700,523
--	--	--	--	--	--	250,000	366,000
--	--	--	--	--	--	2,286,614	2,100,001
13,728	49,970	--	--	--	--	6,504,224	5,909,229
8,620,631	981,801	1,211,106	1,358,882	784,116	126,169	110,871,166	115,948,118
1,684,794	13,943,756	810,897	--	5,836	--	46,646,854	40,191,049
8,586,936	5,196,840	--	--	--	--	71,024,255	62,027,168
--	--	--	--	--	--	5,045,853	3,688,803
3,255,000	3,090,000	--	--	--	--	105,220,662	104,302,365
--	--	--	--	--	--	--	7,500,000
196,301	747,219	212,380	--	--	--	4,720,153	3,803,624
--	--	--	--	--	--	2,817,539	3,608,061
--	--	--	--	--	--	72,591,362	63,515,224
--	--	--	--	--	--	31,898,253	33,473,935
3,432,722	--	--	--	--	--	3,432,722	4,542,323
17,155,753	22,977,815	1,023,277	--	5,836	--	343,397,653	326,652,552

(continued)

ENTERPRISE FUNDS
COMBINING BALANCE SHEET
September 30, 2001
With comparative totals for September 30, 2000

	Electric	Water and Wastewater	Hospital	Solid Waste Services
LIABILITIES AND FUND EQUITY, CONTINUED				
Long-term liabilities:				
Accrued compensated absences payable	\$ 4,282,537	1,848,301	--	209,538
Construction contracts payable	--	75,000	--	--
Contract revenue bonds payable, net of discount	--	69,858,104	--	--
Capital appreciation bond interest payable	91,208,535	53,852,283	--	--
Commercial paper notes payable	150,242,720	78,226,000	--	--
Revenue notes payable	--	--	--	--
General obligation bonds payable and other tax supported debt, net of discount and inclusive of premium	2,729,710	30,080,275	--	17,356,515
Revenue bonds payable, net of discount and inclusive of premium	1,425,918,901	1,102,148,563	--	--
Water improvement district bonds payable	--	--	--	--
Capital lease obligations payable	10,036,520	6,600,000	--	--
Decommissioning assessment payable	1,703,648	--	--	--
Accrued landfill closure and postclosure costs	--	--	--	6,904,024
Deferred revenue and other liabilities	3,366,279	34,952,501	--	--
Total long-term liabilities	1,689,488,850	1,377,641,027	--	24,470,077
Total liabilities	2,006,083,690	1,456,338,914	60,641	29,140,142
Fund equity				
Contributions from municipality	3,562,708	2,797,496	9,097,495	1,372,233
Contributions from State and Federal governments	670,509	27,460,799	874,135	--
Contributions in aid of construction	57,497,527	306,422,539	--	--
Contributions from the private sector	--	--	3,686,908	--
Total contributions	61,730,744	336,680,834	13,658,538	1,372,233
Retained earnings:				
Reserved for renewal and replacement	--	--	--	--
Reserved for passenger facility charge	--	--	--	--
Unreserved	1,050,375,444	430,751,464	62,780,752	28,930,393
Total retained earnings	1,050,375,444	430,751,464	62,780,752	28,930,393
Total fund equity	1,112,106,188	767,432,298	76,439,290	30,302,626
Total liabilities and fund equity	\$3,118,189,878	2,223,771,212	76,499,931	59,442,768

See accompanying independent auditors' report.

CITY OF AUSTIN, TEXAS

Exhibit F-1

(Continued)

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						2001	2000
286,284	231,052	709,456	314,618	168,691	55,568	8,106,045	6,229,468
--	--	--	--	--	--	75,000	75,000
--	--	--	--	--	--	69,858,104	88,254,611
--	--	--	--	--	--	145,060,818	128,547,946
--	--	--	--	--	--	228,468,720	403,255,427
28,000,000	--	--	--	--	--	28,000,000	28,000,000
873,260	452,215	2,056,430	319,120	7,988,457	--	61,855,982	67,274,825
361,782,102	236,086,093	--	--	--	--	3,125,935,659	2,875,791,298
--	--	--	--	--	--	--	423,000
--	--	--	--	--	--	16,636,520	17,534,999
--	--	--	--	--	--	1,703,648	1,976,937
--	--	--	--	--	--	6,904,024	6,700,886
4,318,000	--	--	--	--	--	42,636,780	9,233,172
395,259,646	236,769,360	2,765,886	633,738	8,157,148	55,568	3,735,241,300	3,633,297,569
421,036,030	260,728,976	5,000,269	1,992,620	8,947,100	181,737	4,189,510,119	4,075,898,239
3,033,536	18,988,154	15,188,310	331,206	811,795	1,069,976	56,252,909	55,779,691
133,713,334	248,339	--	--	--	--	162,967,116	167,117,885
13,089,374	1,811,059	15,822,025	--	30,000	--	394,672,524	410,144,687
--	488,436	--	--	--	--	4,175,344	4,175,344
149,836,244	21,535,988	31,010,335	331,206	841,795	1,069,976	618,067,893	637,217,607
10,000,000	1,063,999	--	--	--	--	11,063,999	11,065,953
11,909,161	--	--	--	--	--	11,909,161	10,152,485
140,638,302	62,638,190	41,763,062	7,927,778	2,880,746	(941,043)	1,827,745,088	1,675,523,274
162,547,463	63,702,189	41,763,062	7,927,778	2,880,746	(941,043)	1,850,718,248	1,696,741,712
312,383,707	85,238,177	72,773,397	8,258,984	3,722,541	128,933	2,468,786,141	2,333,959,319
733,419,737	345,967,153	77,773,666	10,251,604	12,669,641	310,670	6,658,296,260	6,409,857,558

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

	Electric	Water and Wastewater	Hospital	Solid Waste Services
REVENUES				
Utility services	\$ 806,310,682	219,914,504	--	--
User fees and rentals	--	--	6,488,666	36,957,905
Operating revenues from other governments	--	--	3,266,054	--
Operating revenues	806,310,682	219,914,504	9,754,720	36,957,905
EXPENSES				
Operating expenses before depreciation	458,685,525	102,411,722	2,223,956	34,168,607
Depreciation and amortization	85,109,400	51,782,640	2,520,452	1,797,946
Total operating expenses	543,794,925	154,194,362	4,744,408	35,966,553
Operating income (loss) before nonoperating revenues (expenses) and operating transfers	262,515,757	65,720,142	5,010,312	991,352
NONOPERATING REVENUES (EXPENSES)				
Interest and other revenues	47,779,398	13,536,485	1,849,476	696,209
Interest on revenue bonds and other debt	(111,623,386)	(75,672,996)	--	(1,056,841)
Interest capitalized during construction	--	--	--	800,393
Capital contributions	3,366,279	30,996,387	--	--
Passenger facility charges	--	--	--	--
Amortization of bond issue cost	(718,676)	(456,791)	--	(3,091)
Other nonoperating expense	(909,855)	(149,075)	--	(3,394)
Total nonoperating revenues (expenses)	(62,106,240)	(31,745,990)	1,849,476	433,276
Cost (recovered) to be recovered in future years	(29,568,154)	(11,151,302)	--	--
Income (loss) before operating transfers	170,841,363	22,822,850	6,859,788	1,424,628
Operating transfers:				
Operating transfers in	--	--	--	1,999,247
Operating transfers out	(67,416,333)	(21,126,805)	(8,650,018)	(2,113,497)
Net income	103,425,030	1,696,045	(1,790,230)	1,310,378
Add depreciation transferred to contributions	--	--	--	--
Net increase (decrease) in retained earnings	103,425,030	1,696,045	(1,790,230)	1,310,378
Retained earnings at beginning of year, as previously reported	946,950,414	429,055,419	64,570,982	27,620,015
Prior period adjustment	--	--	--	--
Retained earnings at beginning of year, as restated	946,950,414	429,055,419	64,570,982	27,620,015
Retained earnings at end of year	\$ 1,050,375,444	430,751,464	62,780,752	28,930,393

See accompanying independent auditors' report.

CITY OF AUSTIN, TEXAS

Exhibit F-2

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						2001	2000
--	--	--	--	--	--	1,026,225,186	1,023,207,762
68,528,440	11,071,836	25,885,542	19,089,514	6,300,537	3,790,441	178,112,881	159,972,993
--	--	--	--	--	--	3,266,054	3,278,280
68,528,440	11,071,836	25,885,542	19,089,514	6,300,537	3,790,441	1,207,604,121	1,186,459,035
39,362,751	15,645,795	23,135,527	18,074,757	5,311,793	3,861,117	702,881,550	639,978,856
15,187,731	2,500,508	761,164	749,149	420,936	10,243	160,840,169	156,647,504
54,550,482	18,146,303	23,896,691	18,823,906	5,732,729	3,871,360	863,721,719	796,626,360
13,977,958	(7,074,467)	1,988,851	265,608	567,808	(80,919)	343,882,402	389,832,675
6,083,184	10,040,917	1,273,325	178,319	142,866	18,791	81,598,970	71,129,441
(24,339,580)	(14,457,667)	(139,001)	(21,323)	(437,916)	--	(227,748,710)	(225,078,583)
1,237,475	3,090,193	106,500	--	--	--	5,234,561	1,852,527
9,568,393	--	2,912,379	--	--	--	46,843,438	--
9,999,244	--	--	--	--	--	9,999,244	9,407,652
(104,660)	(167,767)	(16)	(407)	(1,586)	--	(1,452,994)	(1,426,863)
(119,809)	(356,568)	(15,891)	--	(177,963)	--	(1,732,555)	(4,103,677)
2,324,247	(1,850,892)	4,137,296	156,589	(474,599)	18,791	(87,258,046)	(148,219,503)
--	--	--	--	--	--	(40,719,456)	25,711,965
16,302,205	(8,925,359)	6,126,147	422,197	93,209	(62,128)	215,904,900	267,325,137
--	33,198,475	1,378,304	--	--	--	36,576,026	25,108,879
(133,333)	(75,000)	(884,709)	(183,364)	--	(458,516)	(101,041,575)	(86,315,239)
16,168,872	24,198,116	6,619,742	238,833	93,209	(520,644)	151,439,351	206,118,777
2,468,017	69,168	--	--	--	--	2,537,185	2,342,835
18,636,889	24,267,284	6,619,742	238,833	93,209	(520,644)	153,976,536	208,461,612
146,410,574	39,434,905	35,143,320	7,688,945	2,787,537	(420,399)	1,699,241,712	1,488,280,100
(2,500,000)	--	--	--	--	--	(2,500,000)	--
143,910,574	39,434,905	35,143,320	7,688,945	2,787,537	(420,399)	1,696,741,712	1,488,280,100
162,547,463	63,702,189	41,763,062	7,927,778	2,880,746	(941,043)	1,850,718,248	1,696,741,712

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

	Electric	Water and Wastewater	Hospital	Solid Waste Services
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 864,905,398	224,505,932	6,617,614	36,487,578
Cash payments to suppliers for goods and services	(345,410,122)	(50,075,244)	(2,137,996)	(16,420,811)
Cash payments to employees for services	(86,533,773)	(50,818,437)	(146,470)	(17,059,157)
Cash received from other governments	--	--	3,266,054	--
Taxes collected and remitted to other governments	(22,824,871)	--	--	--
Net cash provided (used) by operating activities	410,136,632	123,612,251	7,599,202	3,007,610
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	--	--	--	1,999,247
Operating transfers out	(67,416,333)	(21,126,805)	(8,650,018)	(2,113,497)
Interest paid on revenue notes and other debt	(170,966)	(8,186)	--	(9,916)
(Increase) decrease in deferred assets	(938,863)	--	--	--
Contributions from municipalities	--	--	904,368	--
Loan repayments to other funds	(150,000)	--	--	(22,610)
Loan repayments from other funds	--	--	--	--
Net cash provided (used) by noncapital financing activities	(68,676,162)	(21,134,991)	(7,745,650)	(146,776)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the sale of commercial paper notes	72,890,000	99,940,000	--	--
Proceeds from the sale of general obligation bonds and other tax supported debt	--	--	--	--
Proceeds from the sale of revenue bonds	--	--	--	--
Proceeds from long-term loans	1,405,340	--	--	--
Principal paid on long-term debt	(85,379,610)	(28,793,666)	--	(1,683,362)
Proceeds from the sale of fixed assets	--	--	--	--
Purchased interest received	928,590	1,782,096	--	--
Interest paid on revenue bonds and other debt	(96,290,708)	(63,413,727)	--	(1,007,893)
Passenger facility charges	--	--	--	--
Acquisition and construction of capital assets	(221,252,697)	(118,399,797)	--	(8,851,778)
Contributions from municipality	--	--	--	--
Contributions from State and Federal governments	--	--	--	--
Acquisition of intangible assets	--	(101,582)	--	--
Contributions in aid of construction	4,260,137	12,080,569	--	--
Bond discounts and issuance costs	(1,540,668)	(2,230,001)	--	(29,132)
Bond premiums	872,584	1,923,865	--	199,731
Cash paid for bond defeasance	--	(9,651,944)	--	--
Bonds issued for advanced refundings of debt	126,700,000	235,507,025	--	4,185,585
Cash paid for bond refunding escrow	(125,000,000)	(236,084,975)	--	(4,356,184)
Cash paid for nuclear fuel inventory	(10,571,733)	--	--	--
Net cash used by capital and related financing activities	\$(332,978,765)	(107,442,137)	--	(11,543,033)

See accompanying independent auditors' report.

CITY OF AUSTIN, TEXAS

Exhibit F-3

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						2001	2000
68,869,789	12,084,084	25,390,755	19,284,517	6,300,537	3,790,841	1,268,237,045	1,092,020,136
(21,532,048)	(9,364,578)	(10,275,418)	(10,123,111)	(2,624,747)	(1,498,218)	(469,462,293)	(388,201,653)
(15,892,440)	(6,568,446)	(12,590,728)	(8,066,449)	(2,778,402)	(2,314,090)	(202,768,392)	(187,490,128)
--	--	--	--	--	--	3,266,054	2,785,271
--	--	--	--	--	--	(22,824,871)	(16,981,467)
31,445,301	(3,848,940)	2,524,609	1,094,957	897,388	(21,467)	576,447,543	502,132,159
--	33,198,475	1,378,304	--	--	--	36,576,026	25,108,879
(133,333)	(75,000)	(884,709)	(183,364)	--	(458,516)	(101,041,575)	(86,315,239)
--	--	--	--	--	--	(189,068)	(1,170,582)
--	--	--	--	--	--	(938,863)	135,567
--	--	--	--	--	--	904,368	139,155
--	--	(5,559)	--	--	--	(178,169)	--
--	--	--	--	--	--	--	21,222
(133,333)	33,123,475	488,036	(183,364)	--	(458,516)	(64,867,281)	(62,080,998)
--	--	--	--	--	--	172,830,000	170,149,960
--	--	--	--	--	--	--	7,695,000
--	--	--	--	--	--	--	40,000,000
--	--	--	--	--	--	1,405,340	--
(243,076)	(2,996,908)	(180,752)	(111,461)	(444,108)	--	(119,832,943)	(134,063,118)
--	--	--	20,000	--	--	20,000	930,246
--	--	4,405	--	--	--	2,715,091	815,775
(23,811,694)	(13,798,898)	(127,384)	(23,413)	(434,074)	--	(198,907,791)	(201,280,319)
9,999,244	--	--	--	--	--	9,999,244	9,407,652
(22,079,392)	(68,313,504)	(6,887,337)	(2,092,857)	(1,738,435)	(24,769)	(449,640,566)	(356,196,325)
1,366	--	--	--	--	--	1,366	621
8,943,294	--	--	--	--	--	8,943,294	10,931,313
--	--	--	--	--	--	(101,582)	(100,000,000)
1,506	(15,000,000)	2,912,379	--	--	--	4,254,591	16,594,929
(2,915)	--	(4,540)	--	(1,913)	--	(3,809,169)	(2,245,888)
19,986	--	31,129	--	13,119	--	3,060,414	240,583
--	--	--	--	--	--	(9,651,944)	--
418,838	--	652,345	--	274,917	--	367,738,710	100,000,000
(435,909)	--	(678,934)	--	(286,122)	--	(366,842,124)	(99,205,027)
--	--	--	--	--	--	(10,571,733)	(6,681,685)
(27,188,752)	(100,109,310)	(4,278,689)	(2,207,731)	(2,616,616)	(24,769)	(588,389,802)	(542,906,283)

(continued)

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

	Electric	Water and Wastewater	Hospital	Solid Waste Services
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities	\$(544,087,681)	(99,397,105)	--	--
Proceeds from sale and maturities of investment securities	562,767,173	95,436,997	--	--
Interest on investments	31,263,718	10,841,010	1,849,476	788,099
Reverse repurchase agreement income	--	--	--	--
Reverse repurchase agreement expense	--	--	--	--
Net cash provided by investing activities	49,943,210	6,880,902	1,849,476	788,099
Net increase (decrease) in cash and cash equivalents	58,424,915	1,916,025	1,703,028	(7,894,100)
Cash and cash equivalents, October 1 (including \$476,493,720 in restricted accounts)	106,146,753	116,240,426	33,470,803	19,646,329
Cash and cash equivalents, September 30 (including \$431,935,471 in restricted accounts)	164,571,668	118,156,451	35,173,831	11,752,229
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	262,515,757	65,720,142	5,010,312	991,352
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	85,109,400	49,282,640	2,520,452	1,797,946
Amortization	10,346,051	2,500,000	--	--
Change in assets and liabilities:				
(Increase) decrease in working capital advances	(466,433)	--	--	--
(Increase) decrease in accounts receivable	14,857,960	6,830,026	308,517	436,180
Increase (decrease) in allowance for doubtful accounts	433,785	(67,003)	(179,569)	(3,886)
Decrease in due from other funds	--	--	--	--
(Increase) decrease in inventory	(2,154,651)	(383,983)	--	--
(Increase) decrease in prepaid expenses and deferred costs	20,639	608,733	--	(16,526)
(Increase) decrease in other regulatory assets	(100,068)	--	--	--
(Increase) decrease in other long-term assets	(2,643,038)	--	--	--
Increase (decrease) in accounts payable	(4,027,304)	(689,228)	(6,367)	(302,709)
Increase (decrease) in accrued payroll and compensated absences	803,897	525,833	3,587	79,311
Increase (decrease) in deferred revenue	--	(959,058)	(57,730)	--
Decrease in decommissioning assessment payable	(262,048)	--	--	--
(Increase) decrease in unrecovered fuel revenue	35,803,879	--	--	--
Increase in accrued landfill closure costs	--	--	--	203,138
Decrease in due to other governments	--	--	--	--
Increase (decrease) in other liabilities	9,135,820	(782)	--	(208,377)
Increase (decrease) in customer deposits	762,986	244,931	--	31,181
Total adjustments	147,620,875	57,892,109	2,588,890	2,016,258
Net cash provided (used) by operating activities	\$ 410,136,632	123,612,251	7,599,202	3,007,610

See accompanying independent auditors' report.

CITY OF AUSTIN, TEXAS

Exhibit F-3

(Continued)

Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
					2001	2000
(29,467,016)	(34,900,083)	--	--	--	(707,851,885)	(652,344,315)
38,214,351	34,831,359	--	--	--	731,249,880	668,174,899
6,083,184	9,972,997	1,273,325	160,762	142,866	62,394,228	61,965,545
--	--	--	--	--	--	4,398,582
--	--	--	--	--	--	(4,157,670)
14,830,519	9,904,273	1,273,325	160,762	142,866	85,792,223	78,037,041
18,953,735	(60,930,502)	7,281	(1,135,376)	(1,576,362)	8,982,683	(24,818,081)
70,453,852	175,394,823	27,546,107	3,912,136	3,366,271	556,854,286	581,672,367
89,407,587	114,464,321	27,553,388	2,776,760	1,789,909	565,836,969	556,854,286
13,977,958	(7,074,467)	1,988,851	265,608	567,808	(80,919)	343,882,402
15,187,731	2,500,508	761,164	749,149	420,936	10,243	158,340,169
--	--	--	--	--	--	12,846,051
--	--	--	--	--	--	(466,433)
319,059	1,126,143	180,745	195,003	--	400	24,254,033
--	--	(1,805)	(50,150)	--	--	131,372
--	--	--	--	--	--	--
--	--	--	(51,069)	--	--	(2,589,703)
--	(42,393)	(2,743)	--	--	--	567,710
--	--	--	--	--	--	(100,068)
--	--	--	--	--	--	(2,643,038)
2,781,638	(381,219)	(627,743)	(90,142)	(165,597)	33,727	(3,474,944)
263,384	136,415	226,140	76,558	74,304	15,271	2,204,700
30,964	--	--	--	--	--	(985,824)
--	--	--	--	--	--	(262,048)
--	--	--	--	--	--	35,803,879
--	--	--	--	--	--	203,138
--	--	--	--	--	--	--
(1,106,759)	(32)	--	--	(63)	(189)	7,819,618
(8,674)	(113,895)	--	--	--	--	916,529
17,467,343	3,225,527	535,758	829,349	329,580	59,452	232,565,141
31,445,301	(3,848,940)	2,524,609	1,094,957	897,388	(21,467)	576,447,543

(continued)

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year ended September 30, 2001
With comparative totals for year ended September 30, 2000

	Electric	Water and Wastewater	Hospital	Solid Waste Services
NONCASH INVESTING, CAPITAL AND FINANCING				
ACTIVITIES:				
Increase in advances to other funds	\$ --	--	--	--
Increase (decrease) in deferred assets/expenses	(31,523,876)	9,262,422	--	--
Unamortized bond discounts, premiums, and issue costs on refunded bonds	--	(783,202)	--	--
Increase in capital appreciation bond interest payable	(8,514,138)	(7,998,734)	--	--
Increase in deferred revenue	--	--	--	--
Increase in contributed facilities	--	18,229,303	--	--
Net increase in the fair value of investments	13,707,170	3,029,280	--	--
Amortization of bond discounts, premiums and issue costs	(2,507,444)	(1,458,953)	--	(3,091)
Amortization of deferred loss on refundings	--	--	--	(30,495)
Gain (loss) on disposal of assets	(320,455)	(149,075)	--	(3,394)
Costs (recovered) to be recovered in future years	(29,568,154)	(11,151,302)	--	--
Loss on extinguishment of debt	--	(116,807)	--	--
Due to other funds for fixed assets	--	--	--	--
Contributions from other funds	--	--	--	--
Deferred revenue and other liabilities	3,366,279	30,996,387	--	--

See accompanying independent auditors' report.

CITY OF AUSTIN, TEXAS

Exhibit F-3

(Continued)

Airport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Totals	
						2001	2000
--	--	--	--	--	--	--	4,318,000
--	--	--	--	--	--	(22,261,454)	9,720,597
(7,263)	--	--	--	--	--	(790,465)	--
--	--	--	--	--	--	(16,512,872)	(18,674,086)
--	--	--	--	--	--	--	(4,318,000)
--	--	--	--	--	--	18,229,303	14,918,520
660,584	207,806	--	--	--	--	17,604,840	990,517
(581,753)	(357,340)	(1,485)	(282)	(2,360)	--	(4,912,708)	(5,332,652)
(81,395)	(427,477)	(20)	--	--	--	(539,387)	(510,847)
(119,809)	(356,568)	(15,891)	17,557	--	--	(947,635)	(1,835,798)
--	--	--	--	--	--	(40,719,456)	25,711,965
--	--	--	--	--	--	(116,807)	(556,529)
--	--	--	--	--	--	--	(2,656)
--	--	--	--	--	--	--	63,750
--	--	--	--	--	--	34,362,666	--

ENTERPRISE FUNDS
COMBINING SCHEDULE OF CHANGES IN FIXED ASSETS AND ACCUMULATED DEPRECIATION
Year ended September 30, 2001

	Assets					Balance September 30, 2001
	Balance September 30, 2000	Additions	Retirements	Transfers from Construction In Progress	Transfers	
					from (to) Other Funds (1)	
Property, plant and equipment						
In service:						
Electric	\$2,642,600,458	3,535,337	(3,105,832)	180,044,934	5,301	2,823,080,198
Water	1,038,123,601	11,156,476	(1,358,037)	32,126,850	--	1,080,048,890
Wastewater	998,622,903	8,233,587	(1,628,797)	10,039,370	--	1,015,267,063
Hospital	74,793,203	--	--	--	--	74,793,203
Solid Waste Services	39,316,231	(25,995)	(3,438,539)	17,127,404	--	52,979,101
Airport	681,077,907	988,346	(1,033,176)	43,609,445	--	724,642,522
Convention Center	115,058,302	193,957	(1,294,349)	1,034,806	--	114,992,716
Drainage	21,240,331	86,507	(230,722)	7,609,515	--	28,705,631
Transportation	7,291,534	2,092,857	(129,830)	778,595	36,866	10,070,022
Golf	12,486,524	79,390	(8,841)	356,236	--	12,913,309
Parks and Recreation	148,249	24,769	--	--	--	173,018
	<u>5,630,759,243</u>	<u>26,365,231</u>	<u>(12,228,123)</u>	<u>292,727,155</u>	<u>42,167</u>	<u>5,937,665,673</u>
Construction in progress:						
Electric	151,085,316	230,118,939	(7,406,623)	(180,044,934)	--	193,752,698
Water	52,787,985	68,864,509	--	(32,126,850)	--	89,525,644
Wastewater	34,262,428	41,268,814	--	(10,039,370)	--	65,491,872
Solid Waste Services	20,745,445	9,104,429	--	(17,127,404)	--	12,722,470
Airport	40,800,037	13,213,032	--	(43,609,445)	--	10,403,624
Convention Center	28,161,630	81,927,382	--	(1,034,806)	--	109,054,206
Drainage	25,524,340	5,716,655	--	(7,609,515)	--	23,631,480
Transportation	778,595	--	--	(778,595)	--	--
Golf	435,017	1,494,866	--	(356,236)	--	1,573,647
	<u>354,580,793</u>	<u>451,708,626</u>	<u>(7,406,623)</u>	<u>(292,727,155)</u>	<u>--</u>	<u>506,155,641</u>
Electric-nuclear fuel inventory	138,479,330	10,571,732	--	--	--	149,051,062
Electric-plant held for future use	31,378,983	--	--	--	--	31,378,983
Total	<u>\$6,155,198,349</u>	<u>488,645,589</u>	<u>(19,634,746)</u>	<u>--</u>	<u>42,167</u>	<u>6,624,251,359</u>

See accompanying independent auditor's report.

Accumulated Depreciation

Balance September 30, 2000	Current Depreciation & Amortization	Retirements	Transfers and Adjustments	Balance September 30, 2001
1,048,947,313	85,109,400	(2,195,978)		1,131,860,735
242,395,336	23,250,115	(1,293,234)		264,352,217
304,151,983	26,032,525	(1,544,525)		328,639,983
31,233,236	2,520,452			33,753,688
24,120,255	1,797,946	(3,435,145)		22,483,056
112,163,234	15,187,731	(913,367)		126,437,598
23,036,156	2,500,508	(937,781)		24,598,883
4,161,661	761,164	(214,831)		4,707,994
3,600,510	749,149	(127,387)	36,866	4,259,138
3,216,035	420,936	(8,841)		3,628,130
42,930	10,243			53,173
1,797,068,649	158,340,169	(10,671,089)	36,866	1,944,774,595
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
120,617,005	8,996,050	--	--	129,613,055
--	--	--	--	--
1,917,685,654	167,336,219	(10,671,089)	36,866	2,074,387,650

(continued)

ENTERPRISE FUNDS

COMBINING SCHEDULE OF CHANGES IN FIXED ASSETS AND ACCUMULATED DEPRECIATION

Year ended September 30, 2001

	Electric	Water	Wastewater	Hospital	Solid Waste Services
Property, plant and equipment:					
Land and land rights	\$ 34,352,298	111,199,423	23,954,778	759,502	10,461,629
Buildings	547,735,403	673,255,342	608,019,323	74,002,127	5,559,117
Improvements to grounds	14,011,739	24,148,080	18,223,947	14,580	4,567,919
Machinery and equipment	2,003,951,131	175,221,740	286,973,971	4,045	1,617,316
Vehicles	19,640,769	6,358,696	9,637,897	--	9,795,959
Completed assets not classified	203,388,858	89,865,609	68,457,147	12,949	20,977,161
	<u>2,823,080,198</u>	<u>1,080,048,890</u>	<u>1,015,267,063</u>	<u>74,793,203</u>	<u>52,979,101</u>
Less accumulated depreciation	(1,131,860,735)	(264,352,217)	(328,639,983)	(33,753,688)	(22,483,056)
Net property, plant and equipment in service	1,691,219,463	815,696,673	686,627,080	41,039,515	30,496,045
Construction in progress	193,752,698	89,525,644	65,491,872	--	12,722,470
Nuclear fuel, net of amortization	19,438,007	--	--	--	--
Plant held for future use	31,378,983	--	--	--	--
Total property, plant and equipment	<u>1,935,789,151</u>	<u>905,222,317</u>	<u>752,118,952</u>	<u>41,039,515</u>	<u>43,218,515</u>

(1) Transfers from (to) other funds and
account groups are as follows:

General Fixed Assets

	5,301	--	--	--	--
\$	<u>5,301</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

See accompanying independent auditors' report.

CITY OF AUSTIN, TEXAS
Exhibit F-4
(Continued)

Alrport	Convention Center	Drainage	Transportation	Golf	Parks and Recreation	Total
58,690,308	26,089,465	2,435,911	--	324,266	--	268,267,580
574,379,745	83,644,609	511,963	--	3,042,324	--	2,570,149,953
64,634,140	130,155	4,749,395	--	7,952,456	2,999	138,435,410
15,051,253	1,384,819	9,718,945	187,336	503,475	52,032	2,494,666,063
1,615,577	358,880	2,191,142	4,314,727	256,134	329	54,170,110
10,271,499	3,384,788	9,098,275	5,567,959	834,654	117,658	411,976,557
724,642,522	114,992,716	28,705,631	10,070,022	12,913,309	173,018	5,937,665,673
(126,437,598)	(24,598,883)	(4,707,994)	(4,259,138)	(3,628,130)	(53,173)	(1,944,774,595)
598,204,924	90,393,833	23,997,637	5,810,884	9,285,179	119,845	3,992,891,078
10,403,624	109,054,206	23,631,480	--	1,573,647	--	506,155,641
--	--	--	--	--	--	19,438,007
--	--	--	--	--	--	31,378,983
608,608,548	199,448,039	47,629,117	5,810,884	10,858,826	119,845	4,549,863,709
--	--	--	36,866	--	--	42,167
--	--	--	36,866	--	--	42,167





INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the City and other agencies on a cost-reimbursement basis.

The internal service funds are as follows:

- The Fleet Maintenance Fund, which includes vehicle and equipment services;
- The Support Services Fund, which includes the activities of the various support service departments;
- The Information Systems Fund, which includes activities of the Information Systems Department;
- The Employee Benefits Fund, which includes activities related to the health, dental, and life insurance costs of City employees;
- The Liability Reserve Fund, which provides coverage of the City's major claims liabilities;
- The Workers' Compensation Fund, which accounts for workers' compensation costs;
- The Radio Communication Fund, which includes communication support activities;
- The Infrastructure Support Services Fund, which includes the activities for support services for five departments; and
- The Capital Projects Management Fund, which manages the City's capital improvement projects.